

Form ADV Part 2A - Firm Brochure
Item 1: Cover Page
July 2021



ALPHA CUBED
INVESTMENTS

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This brochure provides information about the qualifications and business practices of Alpha Cubed Investments, LLC. If you have any questions about the contents of this brochure, please contact Christina Conatser by telephone at (800) 701-2457 or by email at cconatser@alphacubedinvestments.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Authority.

Additional information about Alpha Cubed Investments, LLC ("ACI") also is available on the SEC's website at www.adviserinfo.sec.gov.

Please note that the use of the term "registered investment adviser" and description of Alpha Cubed Investments, LLC and/or our associates as "registered" does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise you for more information on the qualifications of our firm and its employees.

Item 2: Material Changes to Our Part 2A of Form ADV: Firm Brochure

Alpha Cubed Investments, LLC is required to advise you of any material changes to our Firm Brochure ("Brochure") from our last annual update, identify those changes on the cover page of our Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Brochure. We must state clearly that we are discussing only material changes since the last annual update of our Brochure, and we must provide the date of the last annual update of our Brochure.

Please note that we do not have to provide this information to a client or prospective client who has not received a previous version of our brochure.

Since our last annual amendment filing, our firm has the following material changes to disclose:

- Our firm has retired a legacy billing offering.
- The fee schedule for Standalone Financial Planning and Consulting has been modified, please see item 5 of this brochure for additional information. It is important to note that Financial Planning and Consulting Services offered as part of our Asset management Service will continue to be complimentary.
- Our firm has retired our wrap fee program. This program is only available on a legacy basis, please see item 4 of this brochure for additional information.

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Item 4: Advisory Business

Alpha Cubed Investments, LLC is a limited liability company formed in the State of California in 2011 and Todd Walsh is the majority owner of the firm. Our firm is dedicated to providing clients with a wide array of investment advisory services. We have a total of \$1,633,118,782 under our management. We actively manage \$1,578,763,728 on a discretionary basis and \$54,355,054 on a non-discretionary basis as of December 31, 2020.

Our firm offers a wrap fee program to legacy clients. Our wrap fee and non-wrap fee accounts are managed on an individualized basis according to the client's investment objectives, financial goals, risk tolerance, etc. We do not manage wrap fee accounts in a different fashion than non-wrap fee accounts. The wrap fee program was started as an accommodation to legacy clients and new clients are generally not placed in a wrap program.

Types of advisory services we offer:

Asset Management:

Alpha Cubed Investments, LLC emphasizes continuous and regular account supervision. As part of our asset management service, we generally create a portfolio, consisting of individual stocks or bonds, exchange traded funds ("ETFs"), options, margin trading, mutual funds, short sales, fee-based variable annuities and other public and private securities or investments. We also offer single stock management. We offer individualized investment advice as well as model portfolios. The client's individual investment strategy is tailored to their specific needs and may include some or all of the previously mentioned securities. Each discretionary portfolio will be initially designed to meet a particular investment goal, which we determine to be suitable to the client's circumstances. Once the appropriate portfolio has been determined, we review the portfolio at least annually and if necessary, rebalance the portfolio based upon the client's individual needs, stated goals and objectives. Each discretionary client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Non-Discretionary clients will determine the entirety of their portfolio. We may utilize Independent Money Managers, where we select an investment portfolio on a fee-only basis for a percentage of assets in conjunction with another investment advisory firm. Before selecting other advisers, we make sure that the other advisers are properly licensed or registered. Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account. A basic financial planning review may be included with your advisory fees upon request. Per client request, we will provide a complimentary financial plan. Plan requests should be made by the client in writing to their Investment Adviser Representative. The financial planning is designed to assist clients in meeting their financial goals through the use of comprehensive financial analysis.

Our firm may in select cases utilize the sub-advisory services of a third-party investment advisory firm or individual advisor to aid in the implementation of an investment portfolio selected by our firm. Before selecting a firm or individual, our firm will ensure that the chosen party is properly licensed or registered. Our firm will not offer advice on any specific securities or other investments in connection with this service. We will provide initial due diligence on third party money managers and ongoing reviews of their management of client accounts. In order to assist in the selection of a third-party money manager, our firm will gather client information pertaining to financial situation, investment objectives, and reasonable restrictions to be imposed upon the management of the account.

Our firm will periodically review third party money manager reports provided to the client at least annually. Our firm will contact clients from time to time in order to review their financial situation and objectives; communicate information to third party money managers as warranted; and, assist the client in understanding and evaluating the services provided by the third-party money manager. Clients will be expected to notify our firm of any changes in their financial situation, investment objectives, or account restrictions that could affect their financial standing.

Financial Planning and Consulting:

For clients who do not wish to engage us with Asset Management services, we provide standalone financial planning and consulting services to individuals, families and other types of clients. The financial planning and consulting regarding the management of client's financial resources is based upon an analysis of client's current situation, goals, and objectives. Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation for clients based on the client's financial goals and objectives. This planning or consulting may encompass one or more of the following areas: Investment Planning, Retirement Planning, Estate Planning, Charitable Planning, Education Planning, Corporate and Personal Tax Planning, Cost Segregation Study, Corporate Structure, Real Estate Analysis, Mortgage/Debt Analysis, Insurance Analysis, Lines of Credit Evaluation, Business and Personal Financial Planning.

Our written financial plans or financial consultations rendered to clients usually include general recommendations for a course of activity or specific actions to be taken by the clients. For example, recommendations may be made that the clients begin or revise investment programs, create or revise wills or trusts, obtain or revise insurance coverage, commence or alter retirement savings, or establish education or charitable giving programs. It should also be noted that we refer clients to an accountant, attorney or other specialist, as necessary for non-advisory related services. For written financial planning engagements, we provide our clients with a written summary of their financial situation, observations, and recommendations.

Plans or consultations are typically completed within six (6) months of the client signing a contract with us, assuming that all the information and documents we request from the client are provided to us promptly. The client is under no obligation to act upon the investment adviser's recommendation. If the client elects to act on our recommendations, the client is under no obligation to effect the transaction through us.

Family Office Services:

Alpha Cubed Investments, LLC offers dedicated professional services devoted to the investment, legacy and personal needs of wealthy families, assisting them with personal and business affairs, buffering the family from undesired worry of managing their estates and build a sustainable family legacy. The services offered may include among other things:

Investment Portfolio Management

Reporting and analysis of investment performance

Tracking and Oversight

- Consolidated Record of all major Assets with an inventory of all documents, Annual reports, Trusts, corporate and entity documents.
- Detailed Organization of Financial Affairs including assistance with major financial decisions
- Involvement in New Business acquisition and negotiation
- Liaison for accountants, attorneys and others involved with the family

Estate and Fiduciary

- Review Estate Plan with Estate Attorney
- Advice and Services in response to life events and economic market changes
- Trust administration as support for Trustee
- Communicate and adhere to fiduciary principles
- Advise executive team and/or family business board of directors
- Mentoring and Advising the Next Generation

Tax and Expense

- Goals Based, Tax Aware Financial and Investment Planning
- Knowledge of all household expenses
- Review Vendor Proposals and Supervise Household Personnel

Concierge Services Available

Item 5: Fees & Compensation

We are required to describe our brokerage, custody, fees and fund expenses so you will know how much you are charged and by whom for our advisory services provided to you. Our fees are generally negotiable.

Asset Management:

Our asset management programs will provide discretionary or non-discretionary asset allocation services across all major asset classes including but not limited to cash and currency, money market mutual funds, taxable fixed income (taxable bonds) and non-taxable fixed income (municipal securities), US and international equities, real estate related securities, commodity related securities, indexes and exchange traded funds (ETF's), preferred securities/shares, notes, options (index, ETF or single security), mutual funds, single issue concentrated positions (stocks and/or bonds), and other securities and/or contracts relating to the same. Our programs will utilize different securities in each category to implement the diversified asset allocation program, including: indexes and exchange traded funds/notes, options (index, ETF or single security) and single issue (stocks & bonds). Our fees are based on the complexity of the account, time involved, trading activity and program objective best suited for the client. A basic financial planning review may be included with your advisory fees upon request.

We offer both tiered fees and flat non-tiered fees:

Tier Based on Assets Managed Per Account	Annual Fee
First \$1,000,000 (\$0 - \$1,000,000)	1.50%
Next \$1,500,000 (\$1,000,001 - \$2,500,000)	1.15%
Next \$2,500,000 (\$2,500,001 - \$5,000,000)	0.90%
Next \$5,000,000 (\$5,000,001 - \$10,000,000)	0.75%
Additional Assets (over \$10,000,001)	0.65%

Alternatively, a flat, non-tiered fee, not to exceed 1.50% of investable assets under management or a negotiated flat rate may be applied in certain circumstances. The annual negotiated fee as agreed upon will be finalized in your advisory agreement with us. Our firm's fees are billed on a pro-rata annualized basis quarterly in advance based on the value of your account on or about the last day of March, June, September, and December (the corresponding previous quarter). Adjustments will be made for deposits and withdrawals on the quarterly billing cycles. Clients entering into an advisory agreement mid-quarter will have their initial bill debited the month following the transfer of assets and based on the end value of the account of the prior month.

These accounts will be billed on a quarterly basis in advance on the start of the following quarterly schedule. Adjustments for deposits or withdrawals will not be made on the account's initial billing cycle.

Our firm will deduct its advisory fees from single stock management accounts only if there is cash available. Otherwise, the firm may coordinate its deduction of advisory fees from a separate taxable account also under management as indicated by the client.

In rare cases, we will agree to invoice clients. Fees will generally be automatically deducted from your managed account. As part of this process, client is made aware of the following:

- a) Your independent custodian sends statements at least quarterly to you showing the market values for each security included in the Assets and all disbursements in your account including the amount of the advisory fees paid to us;
- b) You provide authorization permitting us to be directly paid by these terms;
- c) We generally do not invoice clients. In the rare case that we agree to invoice, we send an invoice to the you the Client including a legend urging the comparison of information provided in the invoice with those from the qualified custodian.
- d) ERISA Regulation Section 2550.408b-2(c) requires that we disclose our direct and indirect compensation for advisory services provided for ERISA plans for which we act as a fiduciary within the meaning of Section 3(21)(A) of ERISA. We never receive indirect compensation for these services and only charge the agreed upon amount specified in the advisory agreement executed by the client. Alpha Cubed Investments, LLC does not provide record keeping services or charge for such services. The qualified custodian sends monthly statements of holdings and fees.

Financial Planning and Consulting:

Our firm may charge on an hourly, a flat fee basis or percentage of assets under advisement for standalone financial plans and consulting services. The total estimated fee, as well as the ultimate fee charged, is negotiable and based on the scope and complexity of our engagement with the client. The maximum hourly fee to be charged will not exceed \$350. Flat fees range from \$1,500 to \$10,000. The fee based on a percentage of assets under advisement will not exceed 1%. Our firm requires a retainer of fifty-percent (50%) of the ultimate financial planning or consulting fee at the time of signing for the hourly or flat fee offering. The remainder of the fee will be directly billed to the client and due within thirty (30) days of a financial plan being delivered or consultation rendered. Our firm will not require a retainer exceeding \$1,200 when services cannot be rendered within 6 (six) months.

Family Office Services:

We may charge a flat quarterly fee for Family Office Services based on the general amount of time we spend working with the family. Fees are negotiated and determined by the complexity of the engagement. Alternatively, we can charge a fee based on Assets Under Management that will not exceed 1.50%

Additional Information about Fees

Non-Wrap Fee Clients may incur transaction charges for trades executed in their accounts. These transaction fees are separate from our fees and will be disclosed by the firm that the trades are executed through. It is important to note however that Charles Schwab & Co., Inc. and TD Ameritrade Inc. no longer charges transaction fees on domestic stocks and exchange traded funds. Also, clients will pay the following separately incurred expenses, which we do not receive any part of: charges imposed directly by a mutual fund, index fund, or exchange traded fund

which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses).

We charge our advisory fees quarterly in advance. In the event that you wish to terminate our services, we will refund the unearned portion of our advisory fee to you. You need to contact us in writing and state that you wish to terminate our services. Upon receipt of your letter of termination, we will proceed to close out your account and process a pro-rata refund of unearned advisory fees.

Item 6: Performance-Based Fees & Side-By-Side Management

We do not accept performance-based fees.

Item 7: Types of Clients & Account Requirements

We have the following types of clients:

- Individuals
- High Net Worth Individuals

Our requirements for opening and maintaining accounts or otherwise engaging us:

- Some of our asset management programs require a minimum account balance. For more information regarding our asset management programs and their respective requirements, please contact the firm's CCO, Christina Conatser, at cconatser@alphacubedinvestments.com.

Furthermore, clients who opt into electronic delivery of statements or maintain at least \$1 million in assets at Fidelity will not be charged transaction fees for U.S. listed equities and exchange traded funds.

Item 8: Methods of Analysis, Investment Strategies & Risk of Loss

Our firm subscribes one any one or more of the following methods of analysis and investment strategies in formulating investment advice or managing assets.

Methods of Analysis:

- Fundamental Analysis (Bottom Up and Top Down- including proprietary, consensus and third party research);
- Technical Analysis;

Investment Strategies We Use:

- Long term purchases (securities held at least a year);
- Short term purchases (securities sold within a year);
- Trading (securities sold within 30 days);
- Short sales;
- Margin transactions;
- Option Strategies

Debt Securities (Bonds): Issuers use debt securities to borrow money. Generally, issuers pay investors periodic interest and repay the amount borrowed either periodically during the life of the security and/or at maturity. Alternatively, investors can purchase other debt securities, such as zero coupon bonds, which do not pay current interest, but rather are priced at a discount from their face

values and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on such factors as interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. Bonds with longer rates of maturity tend to have greater interest rate risks.

Certain additional risk factors relating to debt securities include: (a) When interest rates are declining, investors have to reinvest their interest income and any return of principal, whether scheduled or unscheduled, at lower prevailing rates.; (b) Inflation causes tomorrow's dollar to be worth less than today's; in other words, it reduces the purchasing power of a bond investor's future interest payments and principal, collectively known as "cash flows." Inflation also leads to higher interest rates, which in turn leads to lower bond prices.; (c) Debt securities may be sensitive to economic changes, political and corporate developments, and interest rate changes. Investors can also expect periods of economic change and uncertainty, which can result in increased volatility of market prices and yields of certain debt securities. For example, prices of these securities can be affected by financial contracts held by the issuer or third parties (such as derivatives) relating to the security or other assets or indices. (d) Debt securities may contain redemption or call provisions entitling their issuers to redeem them at a specified price on a date prior to maturity. If an issuer exercises these provisions in a lower interest rate market, the account would have to replace the security with a lower yielding security, resulting in decreased income to investors. Usually, a bond is called at or close to par value. This subjects investors that paid a premium for their bond risk of lost principal. In reality, prices of callable bonds are unlikely to move much above the call price if lower interest rates make the bond likely to be called.; (e) If the issuer of a debt security defaults on its obligations to pay interest or principal or is the subject of bankruptcy proceedings, the account may incur losses or expenses in seeking recovery of amounts owed to it.; (f) There may be little trading in the secondary market for particular debt securities, which may affect adversely the account's ability to value accurately or dispose of such debt securities. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may decrease the value and/or liquidity of debt securities.

Our firm attempts to reduce the risks described above through diversification of the client's portfolio and by credit analysis of each issuer, as well as by monitoring broad economic trends and corporate and legislative developments, but there can be no assurance that our firm will be successful in doing so. Credit ratings for debt securities provided by rating agencies reflect an evaluation of the safety of principal and interest payments, not market value risk. The rating of an issuer is a rating agency's view of past and future potential developments related to the issuer and may not necessarily reflect actual outcomes. There can be a lag between the time of developments relating to an issuer and the time a rating is assigned and updated.

Exchange Traded Funds ("ETFs"): An ETF is a type of Investment Company (usually, an open-end fund or unit investment trust) whose primary objective is to achieve the same return as a particular market index. The vast majority of ETFs are designed to track an index, so their performance is close to that of an index mutual fund, but they are not exact duplicates. A tracking error, or the difference between the returns of a fund and the returns of the index, can arise due to differences in composition, management fees, expenses, and handling of dividends. ETFs benefit from continuous pricing; they can be bought and sold on a stock exchange throughout the trading day. Because ETFs trade like stocks, you can place orders just like with individual stocks - such as limit orders, good-until-canceled orders, stop loss orders etc. They can also be sold short. Traditional mutual funds are bought and redeemed based on their net asset values ("NAV") at the end of the day. ETFs are bought and sold at the market prices on the exchanges, which resemble the underlying NAV but are independent of it. However, arbitrageurs will ensure that ETF prices are kept very close to the NAV of the underlying securities. Although an investor can buy as few as one share of an ETF, most buy in board lots. Anything bought in less than a board lot will increase the cost to the investor. Anyone can

buy any ETF no matter where in the world it trades. This provides a benefit over mutual funds, which generally can only be bought in the country in which they are registered.

One of the main features of ETFs are their low annual fees, especially when compared to traditional mutual funds. The passive nature of index investing, reduced marketing, and distribution and accounting expenses all contribute to the lower fees. However, individual investors must pay a brokerage commission to purchase and sell ETF shares; for those investors who trade frequently, this can significantly increase the cost of investing in ETFs. That said, with the advent of low-cost brokerage fees, small or frequent purchases of ETFs are becoming more cost efficient.

Equity Securities: Equity securities represent an ownership position in a company. Equity securities typically consist of common stocks. The prices of equity securities fluctuate based on, among other things, events specific to their issuers and market, economic and other conditions. For example, prices of these securities can be affected by financial contracts held by the issuer or third parties (such as derivatives) relating to the security or other assets or indices. There may be little trading in the secondary market for particular equity securities, which may adversely affect our firm's ability to value accurately or dispose of such equity securities. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may decrease the value and/or liquidity of equity securities. Investing in smaller companies may pose additional risks as it is often more difficult to value or dispose of small company stocks, more difficult to obtain information about smaller companies, and the prices of their stocks may be more volatile than stocks of larger, more established companies. Clients should have a long-term perspective and, for example, be able to tolerate potentially sharp declines in value.

Mutual Funds: A mutual fund is a company that pools money from many investors and invests that money in a variety of differing security types based on the objectives of the fund. The portfolio of the fund consists of the combined holdings it owns. Each share represents an investor's proportionate ownership of the fund's holdings and the income those holdings generate. The price that investors pay for mutual fund shares are the fund's per share net asset value ("NAV") plus any shareholder fees that the fund imposes at the time of purchase (such as sales loads). Investors typically cannot ascertain the exact make-up of a fund's portfolio at any given time, nor can they directly influence which securities the fund manager buys and sells or the timing of those trades. With an individual stock, investors can obtain real-time (or close to real-time) pricing information with relative ease by checking financial websites or by calling a broker or your investment adviser. Investors can also monitor how a stock's price changes from hour to hour—or even second to second. By contrast, with a mutual fund, the price at which an investor purchases or redeems shares will typically depend on the fund's NAV, which is calculated daily after market close.

The benefits of investing through mutual funds include: (a) Mutual funds are professionally managed by an investment adviser who researches, selects, and monitors the performance of the securities purchased by the fund; (b) Mutual funds typically have the benefit of diversification, which is an investing strategy that generally sums up as "Don't put all your eggs in one basket." Spreading investments across a wide range of companies and industry sectors can help lower the risk if a company or sector fails. Some investors find it easier to achieve diversification through ownership of mutual funds rather than through ownership of individual stocks or bonds.; (c) Some mutual funds accommodate investors who do not have a lot of money to invest by setting relatively low dollar amounts for initial purchases, subsequent monthly purchases, or both.; and (d) At any time, mutual fund investors can readily redeem their shares at the current NAV, less any fees and charges assessed on redemption.

Mutual funds also have features that some investors might view as disadvantages: (a) Investors must pay sales charges, annual fees, and other expenses regardless of how the fund performs. Depending

on the timing of their investment, investors may also have to pay taxes on any capital gains distributions they receive. This includes instances where the fund performed poorly after purchasing shares.; (b) Investors typically cannot ascertain the exact make-up of a fund's portfolio at any given time, nor can they directly influence which securities the fund manager buys and sells or the timing of those trades.; and (c) With an individual stock, investors can obtain real-time (or close to real-time) pricing information with relative ease by checking financial websites or by calling a broker or your investment adviser. Investors can also monitor how a stock's price changes from hour to hour—or even second to second. By contrast, with a mutual fund, the price at which an investor purchases or redeems shares will typically depend on the fund's NAV, which the fund might not calculate until many hours after the investor placed the order. In general, mutual funds must calculate their NAV at least once every business day, typically after the major U.S. exchanges close.

When investors buy and hold an individual stock or bond, the investor must pay income tax each year on the dividends or interest the investor receives. However, the investor will not have to pay any capital gains tax until the investor actually sells and makes a profit. Mutual funds, however, are different. When an investor buys and holds mutual fund shares, the investor will owe income tax on any ordinary dividends in the year the investor receives or reinvests them. Moreover, in addition to owing taxes on any personal capital gains when the investor sells shares, the investor may have to pay taxes each year on the fund's capital gains. That is because the law requires mutual funds to distribute capital gains to shareholders if they sell securities for a profit, and cannot use losses to offset these gains.

Short Sales: A short sale is a transaction in which an investor sells borrowed securities in anticipation of a price decline and is required to return an equal number of shares at some point in the future. These transactions have a number of risks that make it highly unsuitable for the novice investor. This strategy has a slanted payoff ratio in that the maximum gain (which would occur if the shorted stock was to plunge to zero) is limited, but the maximum loss is theoretically infinite (since stocks can in theory go up infinitely in price). The following risks should be considered: (1) In addition to trading commissions, other costs with short selling include that of borrowing the security to short it, as well as interest payable on the margin account that holds the shorted security. (2) The short seller is responsible for making dividend payments on the shorted stock to the entity from whom the stock has been borrowed. (3) Stocks with very high short interest may occasionally surge in price. This usually happens when there is a positive development in the stock, which forces short sellers to buy the shares back to close their short positions. Heavily shorted stocks are also susceptible to "buy-ins," which occur when a broker closes out short positions in a difficult-to-borrow stock whose lenders are demanding it back. (4) Regulators may impose bans on short sales in a specific sector or even in the broad market to avoid panic and unwarranted selling pressure. Such actions can cause a spike in stock prices, forcing the short seller to cover short positions at huge losses. (5) Unlike the "buy-and-hold" investor who can afford to wait for an investment to work out, the short seller does not have the luxury of time because of the many costs and risks associated with short selling. Timing is everything when it comes to shorting. (5) Short selling should only be undertaken by experienced traders who have the discipline to cut a losing short position, rather than add to it hoping that it will eventually work out.

Margin Transactions: Our firm may purchase stocks, mutual funds, and/or other securities for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash and allows us to purchase stock without selling other holdings. Margin accounts and transactions are risky and not necessarily appropriate for every client. The potential risks associated with these transactions are (1) You can lose more funds than are deposited into the margin account; (2) the forced sale of securities or other assets in your account; (3) the sale of securities or other assets without contacting you; and (4) you may not

be entitled to choose which securities or other assets in your account(s) are liquidated or sold to meet a margin call.

Options: An option is a financial derivative that represents a contract sold by one party (the option writer) to another party (the option holder, or option buyer). The contract offers the buyer the right, but not the obligation, to buy or sell a security or other financial asset at an agreed-upon price (the strike price) during a certain period of time or on a specific date (exercise date). Options are extremely versatile securities. Traders use options to speculate, which is a relatively risky practice, while hedgers use options to reduce the risk of holding an asset. In terms of speculation, option buyers and writers have conflicting views regarding the outlook on the performance of a:

- *Call Option:* Call options give the option to buy at certain price, so the buyer would want the stock to go up. Conversely, the option writer needs to provide the underlying shares in the event that the stock's market price exceeds the strike due to the contractual obligation. An option writer who sells a call option believes that the underlying stock's price will drop relative to the option's strike price during the life of the option, as that is how he will reap maximum profit. This is exactly the opposite outlook of the option buyer. The buyer believes that the underlying stock will rise; if this happens, the buyer will be able to acquire the stock for a lower price and then sell it for a profit. However, if the underlying stock does not close above the strike price on the expiration date, the option buyer would lose the premium paid for the call option.
- *Put Option:* Put options give the option to sell at a certain price, so the buyer would want the stock to go down. The opposite is true for put option writers. For example, a put option buyer is bearish on the underlying stock and believes its market price will fall below the specified strike price on or before a specified date. On the other hand, an option writer who sells a put option believes the underlying stock's price will increase about a specified price on or before the expiration date. If the underlying stock's price closes above the specified strike price on the expiration date, the put option writer's maximum profit is achieved. Conversely, a put option holder would only benefit from a fall in the underlying stock's price below the strike price. If the underlying stock's price falls below the strike price, the put option writer is obligated to purchase shares of the underlying stock at the strike price.

The potential risks associated with these transactions are that (1) all options expire. The closer the option gets to expiration, the quicker the premium in the option deteriorates; and (2) Prices can move very quickly. Depending on factors such as time until expiration and the relationship of the stock price to the option's strike price, small movements in a stock can translate into big movements in the underlying options.

Security Based Loans: A security based loan is a transaction where an entity such as an investment bank writes a loan to an individual while using securities owned by the borrower as collateral. If deemed advantageous and adequate, this strategy may be recommended to clients in order to generate cash in a short period for large purchases, such as buying real estate. Security based loans are intended to enable the borrower to make a significant purchase while limiting taxable events and the impact of liquidating their security holdings. The interest rate for a security based loan may be lower than the interest rates of other available loan programs. Security based loans are risky and not appropriate for every client. The potential risks associated with security based loans include the forced sale of securities or other assets in the borrower's account; the sale of the borrower's securities or other assets by the purchaser without prior consultation with the borrower; and the borrower's inability to select which securities or other assets in their account(s) are liquidated or sold to meet the collateral requirement if the underlying securities values drop significantly. Risks associated with equity securities will also apply to security based loans. The inherent volatility of the

collateralized securities must be considered before obtaining a security based loan. Increasing interest rates could also potentially result in forced liquidations. Another concern is that securities lending is not regulated by the SEC or FINRA.

Please note:

Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and your account(s) could enjoy a gain, it is also possible that the stock market may decrease and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in the stock market, are appropriately diversified in your investments, and ask us any questions you may have.

We generally invest client's cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, we try to achieve the highest return on our client's cash balances through relatively low-risk conservative investments. In most cases, at least a partial cash balance will be maintained in a money market account so that our firm may debit advisory fees for our services related to our asset management service, as applicable.

Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Item 10: Other Financial Industry Activities & Affiliations

Some representatives of our firm are also Investment Adviser Representatives of Empowerment Financial Group, or Sound Wealth Partners, which are Registered Investment Advisers. As a result of those relationships, these representatives may receive normal and customary fees. These representatives will not solicit ACI's clients to engage with the above-mentioned firms for any services. It is our fiduciary duty to make every effort to put our client's best interest before our own and to comply with our firm's Code of Ethics.

Some representatives of our firm are insurance agents/brokers. They may offer insurance products and receive customary fees as a result of insurance sales. A conflict of interest may arise as these insurance sales may create an incentive to recommend products based on the compensation adviser and/or our supervised persons may earn. In every case, however, it is the commitment of our firm and its associates to act in the best interests of the client.

Some representatives of our firm are registered representative of The Leaders Group, Inc. member FINRA/SIPC. They may accept compensation for the sale of securities or other investment products, including distribution or service ("trail") fees from the sale of mutual funds. A conflict of interest may arise as these commissionable securities sales may create an incentive to recommend products based on the compensation adviser and/or our supervised persons may earn.

Our firm's Alpha Cubed Balanced Growth strategy is made available to institutional advisers through Envestnet's Fund Strategist Platform. Our firm earns a portion of the fees that are collected by the institutional advisers and manages such accounts on a discretionary basis. Envestnet provides the relationship management portion of the service and makes the recommendation to offer the strategy to their clients. The institutional advisers ultimately have the fiduciary duty to these clients to ensure that the strategy is suitable for their clients' portfolios.

Our firm also acts as a sub-manager to a select number of advisory accounts held at Equis Capital Management, Inc. ("Equis"), a SEC Registered Investment Adviser. Our firm manages advisory accounts, executes discretionary trades and earns a portion of the total advisory fee for the services provided. Equis provides the relationship management aspect of the service and accounts for a portion of the total advisory fee. Equis ultimately holds a fiduciary duty to these clients to ensure that the strategy is suitable for their clients' portfolios.

Item 11: Code of Ethics, Participation or Interest in Client Transactions & Personal Trading

We recognize that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities.

Therefore, in order to prevent conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers and employees for their personal accounts¹. In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all of our associates.

Furthermore, our firm has established a Code of Ethics which applies to all of our associated persons. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. Our duty to you extends to making you whole if when managing your assets we cause a trading error to occur. If in correcting an error a gain or a loss occurs, we reserve the right to pay those debits or credits to our master account at whichever custodian the trade error or correction occurred.

Related persons of our firm may buy or sell securities and other investments that are also recommended to clients. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request. Additionally, related persons of our firm may buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request. Further, our related persons will refrain from buying or selling the same securities prior to buying or selling for our clients in the same day.

¹ For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

This disclosure is provided to give clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

Additionally, ACI will occasionally cross client bonds when one client holding bonds needs liquidity and another client has a need for a bond with similar characteristics. This is done to the direct benefit of our clients as we work with their qualified custodian to obtain the bid ask quote on each CUSIP, and are able to cross them at a price in between, eliminating the costs that would otherwise have been incurred in the spread.

Item 12: Brokerage Practices

We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, these:

- Ability to maintain the confidentiality of trading intentions
- Timeliness of execution
- Timeliness and accuracy of trade confirmations
- Liquidity of the securities traded
- Willingness to commit capital
- Ability to place trades in difficult market environments
- Research services provided
- Ability to provide investment ideas
- Execution facilitation services provided
- Record keeping services provided
- Custody services provided
- Frequency and correction of trading errors
- Ability to access a variety of market venues
- Expertise as it relates to specific securities
- Financial condition
- Business reputation
- Ease of working with Custodial service team to complete client requests

With this in consideration, our firm has an arrangement with Fidelity Brokerage Services LLC ("Fidelity"), Charles Schwab & Co., Inc. ("Schwab"), and TD Ameritrade Inc. ("TD Ameritrade") which provides our firm with "platform" services. The platform services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support our firm in conducting business and in serving the best interests of our clients but that may benefit our firm. Fidelity, Schwab and TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. We also participate in the institutional advisor program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC, an unaffiliated SEC-registered broker-dealer and FINRA member. We receive some benefits from TD Ameritrade through its participation in the Program. (Please see the disclosure under Item 14. below.) Fidelity, Schwab, and TD Ameritrade may be collectively referred to as "The Custodians".

The Custodians also make certain research and brokerage services available at no additional cost to our firm. These services include certain research and brokerage services, including research services obtained by The Custodians directly from independent research companies, as selected by our firm (within specific parameters). Research products and services provided by The Custodians to our firm

may include research reports on recommendations or other information about, particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-making; and other products or services that provide lawful and appropriate assistance by The Custodians to our firm in the performance of our investment decision-making responsibilities. The aforementioned research and brokerage services are used by our firm to manage accounts for which we have investment discretion. We do not use client brokerage commissions to obtain research or other products or services. The aforementioned research and brokerage services are used by our firm to manage accounts for which we have investment discretion. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense.

As a result of receiving the services discussed above for no additional cost, we may have an incentive to continue to use or expand the use of The Custodians services. Our firm examined this potential conflict of interest when we chose to enter into the relationship with The Custodians and we have determined that the relationship is in the best interest of our firm's clients and satisfies our client obligations, including our duty to seek best execution.

The Custodians charge brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for certain individual equity and debt securities transactions). However, it is important to note that Schwab and TD Ameritrade do not charge transaction fees on domestic exchange traded equities and exchange traded funds. Furthermore, Fidelity does not charge transaction fees for domestic exchange traded equities and exchange traded funds to clients who opt into electronic delivery of statements or who maintain in excess of \$1 million under custody. The Custodians enable us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. The Custodian's commission rates are generally discounted from customary retail commission rates. However, the commission and transaction fees charged by the Custodians may be higher or lower than those charged by other custodians and broker-dealers.

Our non-wrap fee clients may pay a commission to The Custodians that is higher than another qualified broker dealer might charge to effect the same transaction where we determine in good faith that the commission 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 we will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions.

Although the investment research products and services that may be obtained by our firm will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account.

Neither we nor any of our firm's related persons have discretionary authority in making the determination of the brokers with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are effected. We routinely recommend that a client directs us to execute through a specified broker-dealer. Our firm recommends the use of Fidelity, Schwab and/or TD Ameritrade. Each client may be required to establish their account(s) with Fidelity, Schwab and/or TD Ameritrade, Inc. if not already done. Please note that not all advisers have this requirement.

We allow clients to direct brokerage. However, we may be unable to achieve the most favorable execution of client transactions. Client directed brokerage may cost clients more money. For example, in a directed brokerage account, you may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs, or you may receive less favorable prices.

In certain instances, we may determine that it would be in the client's best interest to direct the clients' trades to an outside broker. When directing trades to these outside brokers, we NEVER receive payouts on mark-ups for such trades in advisory accounts.

We participate in prime brokerage services provided by these firms and may include fixed income, equity and other securities trades. As the introducing broker-dealer, these firms shall transmit orders to our custodians such as Fidelity, Schwab, or TD Ameritrade for the execution of trades pursuant to Prime Brokerage Services with each. Each custodian will clear our prime brokerage transactions in an account established in the name of the firm and designated for our client account holders to the account allocation established at our master account at each custodian.

Pursuant to the Prime Brokerage Services Agreement with each custodian, we will transmit to each custodian all the details of each prime brokerage transaction to be cleared by each custodian for our account, including, but not limited to, the contract amount, the security involved, the number of shares or number of units, and whether the transaction was a long or short sale or a purchase. We perform investment management services for various clients. There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our firm, which involve accounts with similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they are effected only when we believe that to do so will be in the best interest of the affected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation, we attempt to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration and consistently non-arbitrary methods of allocation.

Item 13: Review of Accounts or Financial Plans

We review accounts on at least an annual basis for our clients subscribing to Asset Management service. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. Only our Investment Advisor Representatives or Portfolio Managers will conduct reviews. We may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc. We generally do not provide written reports to clients, unless asked to do so. Verbal reports to clients take place on at least an annual basis when we meet with clients who subscribe to the following services: Asset Management.

Stand alone financial planning clients do not receive reviews of their written plans unless they take action to schedule a financial consultation with us. We do not provide ongoing services to stand alone financial planning clients, but are willing to meet with such clients upon their request to discuss updates to their plans, changes in their circumstances, etc. Stand alone financial planning clients do not receive written or verbal updated reports regarding their financial plans unless they separately contract with us for a post-financial plan meeting or update to their initial written financial plan.

Item 14: Client Referrals & Other Compensation

TD Ameritrade

As disclosed under Item 12 of this Brochure, we participate in TD Ameritrade's institutional customer program and we may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between our firm's participation in the program and the investment advice we give to our Clients, although we receive economic benefits through our participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving our firm's participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by our firm's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit our firm but may not benefit our Client accounts. These products or services may assist us in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by our firm or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to our clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our firm's choice of TD Ameritrade for custody and brokerage services.

We may receive client referrals from TD Ameritrade through our participation in TD Ameritrade AdvisorDirect. In addition to meeting the minimum eligibility criteria for participation in AdvisorDirect, we may have been selected to participate in AdvisorDirect based on the amount and profitability to TD Ameritrade of the assets in, and trades placed for, client accounts maintained with TD Ameritrade. TD Ameritrade is a discount broker-dealer independent of and unaffiliated with us and there is no employee or agency relationship between us. TD Ameritrade has established AdvisorDirect as a means of referring its brokerage customers and other investors seeking fee-based personal investment management services or financial planning services to independent investment advisors. TD Ameritrade does not supervise us and has no responsibility for our management of client portfolios or our other advice or services. We pay TD Ameritrade an on-going fee for each successful client referral. This fee is usually based on household assets under management (not to exceed 25 basis points) ("Solicitation Fee"). We will also pay TD Ameritrade the Solicitation Fee on any advisory fees received by us from any of a referred client's family members, including a spouse, child or any other immediate family member who resides with the referred client and hired us on the recommendation of such referred client. We will not charge clients referred through AdvisorDirect any fees or costs higher than our standard fee schedule offered to our clients or otherwise pass Solicitation Fees paid to TD Ameritrade to our clients. For information regarding additional or other fees paid directly or indirectly to TD Ameritrade, please refer to the TD Ameritrade AdvisorDirect Disclosure and Acknowledgement Form.

Our participation in AdvisorDirect raises potential conflicts of interest. TD Ameritrade will most likely refer clients through AdvisorDirect to investment advisors that encourage their clients to custody their assets at TD Ameritrade and whose client accounts are profitable to TD Ameritrade. Consequently, in order to obtain client referrals from TD Ameritrade, we may have an incentive to

recommend to clients that the assets under management by us be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. In addition, we have agreed not to solicit clients referred to our firm through AdvisorDirect to transfer their accounts from TD Ameritrade or to establish brokerage or custody accounts at other custodians, except when its fiduciary duties require doing so. Our participation in AdvisorDirect does not diminish our duty to seek best execution of trades for client accounts.

Alpha Cubed Investments pays fees (previously payed to Scottrade Investment Management “SIM”) to TD Ameritrade in connection with the SIM Referred Clients’ Accounts. Potential conflicts of interest may arise from receipt of the SIM Referred Clients’ Accounts. Alpha Cubed Investments does not charge the SIM Referred Clients’ Accounts more than its standard investment advisory fees or costs to cover fees it pays to TD Ameritrade. Alpha Cubed Investments’ participation in the agreement with TD Ameritrade does not reduce or eliminate ACI’s fiduciary duty to obtain best execution when selecting brokers to execute securities transactions on behalf of the SIM Referred Clients’ Accounts. ACI and TD Ameritrade are independent entities that are unaffiliated with each other, and ACI has agreed not to solicit the SIM Referred Clients to transfer their brokerage accounts from TD Ameritrade or establish brokerage or custody accounts at other custodians other than when its fiduciary duties would require it to recommend other broker/dealers or custodians.

Aside from the above referenced institutional relationships, our firm does not pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940.

Schwab

Our firm receives economic benefit from Schwab in the form of the support products and services made available to our firm and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit our firm, and the related conflicts of interest are described above (*see Item 12 – Brokerage Practices*). The availability of Schwab’s products and services is not based on our firm giving particular investment advice, such as buying particular securities for our clients.

Fidelity

Except for the arrangements outlined in Item 12 of Form ADV Part 2A, our firm has no additional arrangements to disclose.

Item 15: Custody

Our firm does not have custody of client assets or securities, except for standing letters of authorization, as described below. All of our clients receive at least quarterly account statements directly from their custodians. Upon opening an account with a qualified custodian on a client’s behalf, we promptly notify the client in writing of the qualified custodian’s contact information. If we decide to also send account statements to clients, such notice and account statements include a legend that recommends that the client compare the account statements received from the qualified custodian with those received from our firm. We encourage our clients to raise any questions with us about the custody, safety or security of their assets. The custodians we do business with will send you independent account statements listing your account balance(s), transaction history and any fee debits or other fees taken out of your account.

The SEC issued a no-action letter (“Letter”) with respect to the Rule 206(4)-2 (“Custody Rule”) under the Investment Advisers Act of 1940 (“Advisers Act”). The letter provided guidance on the Custody

Rule as well as clarified that an adviser who has the power to disburse client funds to a third party under a standing letter of instruction (“SLOA”) is deemed to have custody. As such, our firm has adopted the following safeguards in conjunction with our custodian:

- The client provides an instruction to the qualified custodian, in writing, that includes the client’s signature, the third party’s name, and either the third party’s address or the third party’s account number at a custodian to which the transfer should be directed.
- The client authorizes the investment adviser, in writing, either on the qualified custodian’s form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
- The client’s qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client’s authorization, and provides a transfer of funds notice to the client promptly after each transfer.
- The client has the ability to terminate or change the instruction to the client’s qualified custodian.
- The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client’s instruction.
- The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
- The client’s qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

Item 16: Investment Discretion

We accept discretionary authority to manage securities accounts. Our clients must sign a discretionary investment advisory agreement with our firm for the management of their account on a discretionary basis. This type of agreement only applies to our Asset Management clients. We do not take or exercise discretion with respect to our other clients.

Item 17: Voting Client Securities

We will not accept proxy voting authority on behalf of clients. However, there may be a small number of legacy clients for whom ACI continues to vote proxy. If ACI does receive proxy voting materials, the Chief Compliance Officer will be responsible for voting the shares. It is our firm policy to vote with the recommendation of the board of directors. Once the proxy vote is complete, the Chief Compliance Officer will save a copy of how shares are voted in the proxy voting compliance file for those who may have questions about particular proxy votes.

Item 18: Financial Information

We do not require nor do we solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we have not included a balance sheet for our most recent fiscal year. Neither have we been the subject of a bankruptcy petition at any time during the past ten years.