

Focus Financial Network, Inc. is registered with the Securities and Exchange Commission as an investment adviser and, as such, we provide advisory services rather than brokerage services. Brokerage and investment advisory services and fees differ and it is important for you, our client, to understand the differences. You'll find free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://Investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

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

**We offer the following investment advisory services to retail investors through our network of financial advisors. Below is a description of those services:**

Our advisory services include, but are not limited to, discretionary and non-discretionary investment advisory services (including investment portfolio monitoring and review of accounts), “wrap fee” programs (an account where no separate transaction charges apply and a single fee is paid for advisory services and trading costs), third-party advisory services, retirement plan consulting and asset allocation services, and financial planning.

When you use our advisory services, you will have access to a variety of investments in a portfolio of accounts. As part of these services, we will discuss your overall financial goals, design a strategy, offer you advice on a regular basis, review your investment options, regularly monitor your account, and meet with you at least annually. You will need to meet minimum investment requirements—which vary by program. Some programs require you to keep a portion of your account in cash, which could be a disadvantage. Working with your advisor, you will choose an asset management account with either discretionary or non-discretionary investment advisory services.

With a **discretionary** asset management account, you give authority for our firm, another investment manager, or your financial advisor to purchase and sell investments on your behalf. You do not decide on each investment and you do not need to approve each transaction.

With a **non-discretionary** asset management account, your financial advisor will make recommendations to purchase and sell investments, but you decide on each investment, and you must approve each transaction.

## What fees will I pay?

**We want you to understand what you will pay for services.**

For many advisory services, you will pay an ongoing asset-based fee, which is based on a percentage of your account value. The exact percentage you pay considers factors such as the size of your portfolio of accounts, services you receive and the complexity of your situation. Because of that, the amount you pay will generally increase with the value of your account, and we have an incentive to encourage you to increase assets in your account. The asset-based fee is generally paid and deducted from your account in advance on a quarterly basis, reducing the value of your account.

For wrap fee programs, the asset-based fee will include most transaction costs and custody services, and as a result wrap fees are typically higher than non-wrap advisory fees. For non-wrap fee programs, there are asset-based fees for investment advice and separate transaction fees are charged by the custodian.

Financial Planning is an advisory service where you and your financial advisor discuss your financial goals, needs and values. You will receive a financial planning analysis which includes recommendations that align with your goals and needs. You will also be offered advice on a regular basis and together, we will periodically monitor your progress relative to your goals.

When using our advisory services, monitoring your investments, including asset allocation, holdings, time horizons and risk tolerance is offered as part of our standard services and is provided at least annually. However, in limited scope consulting or advisory engagements, we will not provide ongoing monitoring.

We only provide advice on limited types of investments or products. Also, our advice covers only investments that are allowed according to the terms of each advisory program.

**For more detailed information** regarding our services, fees and other disclosures, please see Items 4, 7, and 8 of our Form ADV Part 2A Brochure by clicking this link <https://adviserinfo.sec.gov/firm/brochure/116140>.

### Questions to Start a Conversation - ask your financial advisor:

- Given my financial situation, should I choose an investment advisory service? Why or Why Not?
- How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?

When utilizing a third-party money manager, we will receive a portion of the advisory fee charged by the third-party manager in lieu of our asset-based fee.

Custodians also charge account maintenance and services fees. Some investments (such as mutual funds, ETFs and variable annuities) impose additional fees (e.g. management fees and other fund expenses) that will reduce the value of your investment over time. We do not receive any part of these mutual funds or transaction fees. You will also pay for the additional services you request, such as wire transfers or overnight checks. When using our advisory services, the only income to the firm is the advisory fee.

When you use our financial planning services, you will pay a fixed dollar amount, hourly rate, or asset-based fee. The amount will vary based on the complexity of your personal situation and the advice you are seeking. These fees will be paid either monthly, quarterly or annually and generally in advance.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of

money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

**For more detailed information** about our fees and costs related to our management of your account, please see Item 5 in our ADV Part 2A Brochure by clicking this link <https://adviserinfo.sec.gov/firm/brochure/116140>

**Questions to Start a Conversation** - ask your financial advisor:

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

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

**When we act as your investment adviser**, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means.

- The custodians we use to custody your assets provide from time-to-time support services and/or reduced costs which is a benefit to our firm.
- Product sponsors periodically pay or reimburse us for various costs for client events and advisor education meetings.

**For more detailed information** about our conflicts of interest please see Items 5, 10, 12 and 14 of our Form ADV Part 2A Brochure by clicking this link <https://adviserinfo.sec.gov/firm/brochure/116140>

- Certain persons providing investment advice on behalf of our firm provide accounting services. Compensation earned by these accountants is separate and in addition to our advisory fees.

It is important to note that securities do involve risk and you may lose money. Please consult available offering documents for any security we recommend, for a description of risks associated with the product. We can provide those documents to you or help you to find them.

**Questions to Start a Conversation** - ask your financial advisor:

- How might your conflicts of interest affect me, and how will you address them?

## How do your financial professionals make money?

**Our financial advisors are compensated differently depending on their affiliation with us and the type of services they provide you.**

- With investment advisory services your financial advisor receives a percentage of any advisory fee you pay.
- Our financial advisors can offer both brokerage and advisory services. With brokerage services, commission amounts will vary based on the product sold and the financial advisor has an incentive to recommend products that pay a higher commission.
- Some financial advisors receive a salary and incentive compensation.
- The percentage of payments above varies based on the amount of revenue your financial advisor generates annually,

number of clients and assets under management.

- Some of our financial advisors receive gifts and entertainment from sponsors of products we offer.

Since our financial advisors are compensated for the services they provide you, this presents an inherent conflict of interest.

Some of our financial advisors have conflicts of interest beyond those disclosed by us, including the potential to receive loans, expense reimbursements, and incentives for adding assets to a particular platform. Your financial advisors will discuss these material conflicts of interest with you.

## Do you or your financial professionals have legal or disciplinary history?

Yes, some of our financial advisors do. We encourage you to visit [Investor.gov/CRS](https://investor.gov/CRS) for a free and simple search tool to research us and your financial advisor.

**Questions to Start a Conversation** - ask your financial advisor:

- As a financial professional, do you have any disciplinary history? For what type of conduct?

**You can find additional information** about our advisory services at <https://adviserinfo.sec.gov/firm/brochure/116140>. You may also call 1-888-631-8166 and ask for the Supervisory Department to request up-to-date information or another copy of this form.

**Questions to Start a Conversation** - ask your financial advisor:

- Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer?
- Who can I talk to if I have concerns about how this person is treating me?