

## **Item 1 - Introduction**

Bel Air Investment Advisors LLC (“Bel Air”) is an investment adviser registered with the U.S. Securities and Exchange Commission (“SEC”). Bel Air Securities LLC (“BAS”) is a broker-dealer registered with the SEC and is a member of Financial Industry Regulatory Authority (“FINRA”) and Securities Investor Protection Corporation (“SIPC”). Bel Air and BAS are affiliated entities by reason of common management. Bel Air is owned by Hightower Holding, LLC, which through its affiliates provides investment advisory services to a wide array of clients. BAS is owned by Fiera US Holding, Inc., a subsidiary of Fiera Capital Corporation (“FCC”) an independent asset management firm. Brokerage and investment advisory services and fees differ and it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

## **Item 2 – Relationships and Services**

### ***“What investment services and advice can you provide me?”***

*Investment Adviser:* Bel Air typically provides investment advisory services to retail investors, including high net worth individuals, their family members, related investment vehicles and trusts, as well as charitable institutions, foundations, and other institutional clients. Bel Air targets clients that typically have investable assets of at least \$20 million. As an accommodation and in its discretion, Advisor has, and anticipates that it will in the future, accept clients that have less than \$20 million in investable assets. Bel Air provides investment advisory services primarily through separate accounts by managing such assets directly and in combination with the use of mutual funds, exchange-traded funds (“ETFs”), affiliated funds, and other pooled investment vehicles. Bel Air maintains several investment strategies that it manages internally, and it may retain sub-advisors for other specialized investment strategies. Bel Air structures client portfolios to account for client-specific needs and limitations, investment objectives and goals, and risk tolerance. Bel Air also provides consulting services to advise clients about investments, investment advisers and/or pooled investment vehicles to be retained or invested in, as applicable, directly by the client.

Clients typically grant Bel Air discretion, which means you allow Bel Air to buy and sell investments in your account(s) without asking you in advance, pursuant to an Investment Management Agreement (“IMA”). For non-discretionary accounts, retail investors make the ultimate decision regarding the sale or purchase of securities. As an investment adviser, Bel Air owes you a fiduciary duty, which includes regularly monitoring your account.

*Broker-Dealer:* BAS’s primary purpose is to support the investment advisory services of Bel Air. Bel Air clients typically will have a BAS account to assist Bel Air in providing its investment advisory services. As such, BAS offers brokerage services, including buying and selling securities, and offering recommendations to retail investors associated with Bel Air. Some clients with Bel Air relationships maintain brokerage-only accounts with BAS. Such brokerage-only accounts are not subject to an IMA and clients typically do not grant BAS discretion in those accounts. Recommendations made to you in brokerage-only accounts are

subject to a best interest standard (which is different from a fiduciary standard). The investor makes the ultimate decision regarding the purchase or sale of investments. Brokerage-only accounts are not subject to ongoing monitoring, unless otherwise agreed to by you and BAS. If your Bel Air advisor, who acts as your broker, agrees to monitor your brokerage-only account, your Bel Air advisor/broker will inform you in writing of the frequency and any material limitations on that monitoring.

For additional information, please see Bel Air’s Form ADV, Part 2A brochure (Items 4 and 7).

*Conversation Starters:*

- “Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I choose both types of services? 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?”

**Item 3 - Fees, Costs, Conflicts, and Standard of Conduct**

***“What fees will I pay?”***

*Description of Principal Advisory Fees and Costs:* Most Bel Air clients pay an annual management fee of up to 1.10%, depending on, among other things, the size of the account, nature of the investment strategy, nature of the client relationship, and services provided to the client. Fees are negotiable at Bel Air’s sole discretion, and not all clients pay the same fee. Fees are charged quarterly based on the value of the assets in the accounts. Bel Air prorates the fee for the initial period and at the end of the relationship. In limited circumstances, Bel Air provides consulting services for a fixed or variable fee basis.

Bel Air offers different fees for different investment strategies. Given Bel Air charges different fees for different strategies, your advisor has an incentive to allocate you to the highest paying strategy. Moreover, the more assets that are in your advisory account, the more you will pay in fees, and we therefore have an incentive to encourage you to increase the assets in your account.

*Description of Principal Brokerage Fees and Costs:* BAS charges transaction-based fees (“commissions”), typically \$.05/share, for equity transactions executed through BAS. Therefore, Bel Air clients pay an advisory fee to Bel Air and commissions to BAS, if transactions are executed through BAS. BAS commissions are negotiable, and not all Bel Air or BAS clients pay the same commission. You could be charged more when there are more trades in your account, and Bel Air and BAS may therefore have an incentive to encourage you to trade often.

*Description of Other Fees and Costs:* In addition to Bel Air and BAS fees, you will also be charged fees for any underlying manager or investment strategy selected for you.

Most Bel Air clients custody their assets at Pershing LLC (“Pershing”). BAS has entered into a Fully Disclosed Clearing Agreement with Pershing. The clearing agreement provides that BAS will use Pershing as its clearing agent. For transactions processed by or through Pershing, clients are typically charged a fee (which is described as a “ticket charge” or “service fee” on the trade

confirmation) and, for equity, option and ETF trades, a commission. Under the terms of the agreement, Pershing provides various services, including processing transactions and acting as custodian of assets for clients of BAS and Bel Air. BAS receives from Pershing the commissions charged on transactions through BAS. BAS also receives various credits from Pershing, including a monthly credit for business development and growth initiatives. BAS also received a one-time payment from Pershing to cover the transition and establishment expenses for the conversion of all business from its previous clearing agent. In addition, BAS receives other compensation from Pershing, including a portion of the amounts earned on free credit balances, as well as a portion of the interest charged by Pershing on debit balances and short positions, and a portion of the rebates or distribution fees paid to Pershing on mutual fund balances (when permitted). Revenue generated by BAS and items of value received by BAS through the clearing arrangement with Pershing will benefit Bel Air due to the common management and an expense-sharing agreement between the firms. Advisory fees paid by clients are not typically reduced or offset by these sources of income or benefits unless required by law. In some instances, Pershing may charge the account other administrative or trading related fees (e.g. maintenance fees or termination fees). Other custodial firms used by the client may charge additional fees or expenses, which may include transaction fees on purchases or sales of securities, custodial fees, and/or account maintenance fees.

BAS collects 12b-1 fees and sales charges. For those funds for which there is a 12b-1 fee or sales charge, BAS usually will receive these related fees when permissible. Mutual funds that pay 12b-1 fees or sales charges may have share classes that do not pay such fees or sales charges. Investing, or remaining invested, in share classes that pay 12b-1 fees will generally reduce the overall return of such investments in comparison to non-12b-1 share classes (when available) of the same mutual fund.

Bel Air allocates client assets to investment strategies managed by an affiliate of FCC (“Designated Strategies”). The fees generated from the clients’ investment in these Designated Strategies will benefit an affiliated company of BAS, which, in turn, pays a portion of the revenues generated to Bel Air. This can present a conflict of interest as Bel Air and BAS have a financial incentive to allocate client assets to these Designated Strategies. Advisor will only recommend investments, when recommendations are appropriate, in Designated Strategies when the investment is consistent with the relevant client’s investment objective, goal, and risk profile.

*Additional Information:* 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 additional information, please see Bel Air’s Form ADV, Part 2A brochure (Item 5).

**Conversation Starter:** *“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 providing recommendations as my broker-dealer or when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?”***

*When we provide you with a recommendation as your broker-dealer or 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 recommendations and investment advice we provide you. For example, and as discussed above, potential conflicts include varying advisory fees paid by you to Bel Air, revenue/commissions paid to BAS, and investments in Designated Strategies.*

For additional information regarding conflicts of interest, please see Bel Air’s Form ADV, Part 2A brochure (Items 5, 10 and 11).

***Conversation Starter:*** *“How might your conflicts of interest affect me, and how will you address them?”*

***“How do your financial professionals make money?”***

Bel Air’s advisors receive a percentage of the management fees that you pay to Bel Air. Given Bel Air charges different fees for different strategies, your Bel Air financial professional has an incentive to allocate you to the highest paying strategy. Moreover, the more assets that are in your advisory account, the more you will pay in fees, and we may therefore have an incentive to encourage you to increase the assets in your account. Bel Air’s other financial professionals are paid a base salary and are eligible for portfolio and firm performance bonuses, as well as a subjective individual performance bonus.

#### **Item 4 – Disciplinary History**

***“Do you or your financial professionals have legal or disciplinary history?”*** No. A free and simple search tool to research Bel Air, BAS, and their financial professionals can be found at: [Investor.gov/CRS](https://investor.gov/CRS).

***Conversation Starter:*** *“As a financial professional, do you have any disciplinary history? For what type of conduct?”*

#### **Item 5 – Additional Information**

You can find additional information about Bel Air’s investment advisory services in Bel Air’s Form ADV, which is available at <https://adviserinfo.sec.gov/>. You can find additional and up-to-date information about our brokerage and investment advisory services and request a copy of the relationship summary by calling (310) 229-1500 or emailing [info@belair-llc.com](mailto:info@belair-llc.com).

***Conversation Starter:*** *“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?”*