

**ITEM 1. INTRODUCTION**

Arroyo Investment Group, LLC (the “Firm”, “We”) is registered with the Securities and Exchange Commission as an investment adviser. The selection of an appropriate type of firm to work with is key as 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](http://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?”**

We offer investment advisory services to retail investors with respect to the purchase and sale of mutual funds. Our mutual fund recommendations are limited to those on the Schwab platform for those customers whose accounts are custodied at Schwab. For those customers whose assets are not custodied at Schwab, our recommendations will be limited to those offered by the customer’s custodial firm. While some of our customers may maintain stock positions as part of their portfolio, we do not advise on these assets. For our individual retail customers, we advise on individual, joint, and retirement accounts. We monitor advisory accounts on a daily basis through the use of daily transaction reports. There is no additional charge for this service. Accounts are serviced on a discretionary and non-discretionary basis, based upon the desire of the customer. With respect to non-discretionary accounts, you are ultimately responsible for whether or not to act on any recommendations. Regardless of type of service, we work with you to determine your risk profile, liquidity needs, investment experience, investment objectives, time horizon, etc. We base our investment recommendations upon that information, as well as any further input from you. We require at least \$500,000 in assets in order to open an account, though smaller accounts may be accepted on a case-by-case basis. The Firm first became registered in March, 2004, and is 100% owned by John Odell. In addition to advisory services, we also offer financial planning as part of our standard service. Our current assets under management may be found in our ADV Part 2, which may be download at <https://adviserinfo.sec.gov/firm/brochure/130243>

**Conversation Starters: Not sure what to ask next? The questions below can be a jumping off point to start a conversation about relationships and services:**

- “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?”

**ITEM 3. FEES, COSTS, CONFLICTS, AND STANDARD OF CONDUCT****“WHAT FEES WILL I PAY?”**

The Firm charges a fee for assets under management. While this fee is negotiable, it is based on the following schedule:

Up to \$250,000	1.00%
\$250,001 - \$1,000,000	0.80%
\$1,000,001 - \$5,000,000	0.65%
Over \$5,000,001	0.50%

The more assets there are in your advisory account, the more you will pay in fees, and the firm therefore has an incentive to encourage you to increase the assets in your account. We address this conflict through disclosure in this document, as well as reviewing all recommendations and prohibiting recommendations that are not in the best interest of the customer. In addition to the advisory fees charged by this firm: brokerage commissions; custodian fees; postage charges; processing charges; ticket charges; early surrender fees; transfer fees; administrative fees for investments in mutual fund fees; and 12b-1 fees in addition to administrative fees, and other marketing fees for mutual funds, paid to a broker dealer; account maintenance fees charged by a broker dealer for an account, especially if inactive. Schwab charges an annual fee of 0.12%, charged monthly (0.01%).

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. The Firm, through your account custodian, withdraws its fees directly from your account. Both the custodian and the Firm send an invoice outlining the fees charged. Where your custodian does not allow our Firm to withdraw these fees directly from your

account, you will be billed separately. Our fees are charged in arrears and calculated based on the value of assets managed on the last day of the quarter.

**Conversation Starter: Not sure what to ask next? The question below can be a jumping off point to start a conversation about the impact of fees and costs on investments:**

- “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.*

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**Conversation Starter: Not sure what to ask next? The question below can be a jumping off point to start a conversation about conflicts of interest:**

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

For more information regarding our services, please refer to our ADV Part 2, which may be download at <https://adviserinfo.sec.gov/firm/brochure/130243>

#### **“HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?”**

Our financial professionals are compensated in the form of salary, as well as a portion of the advisory fees generated from customer accounts. In addition, certain individuals who solicit on our behalf receive a portion of the fees generated by referred customers. All such fees are disclosed by the solicitor at the time of the referral.

#### **ITEM 4. DISCIPLINARY HISTORY**

##### **A. USE THE HEADING: “DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE LEGAL OR DISCIPLINARY HISTORY?”**

No. For more information, visit [investor.gov/CRS](http://investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.

**Conversation Starter: Not sure what to ask next? The question below can be a jumping off point to start a conversation about the financial professional’s disciplinary history:**

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

#### **ITEM 5. ADDITIONAL INFORMATION**

For more information on our firm and services, please visit [investor.gov/CRS](http://investor.gov/CRS) and our website at [www.arroyoinvestmentgroup.com](http://www.arroyoinvestmentgroup.com) You may also contact Felicity Goldstone at 626-844-1440 with specific questions, concerns, or complaints, to request up-to-date information, or to request a copy of the Firm’s current Customer Relationship Summary.

**Conversation Starter: Not sure what to ask next? The question below can be a jumping off point to start a conversation about the contacts and complaints:**

- “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?”