

Part 2A of Form ADV: Firm Brochure

**ALIGHT FINANCIAL ADVISORS, LLC**

**SEC File No. 801-72679**

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This brochure provides information about the qualifications and business practices of Alight Financial Advisors, LLC in a text-searchable format. If you have any questions about the contents of this brochure or if you would like the most recent version, please contact us at the above phone number or address, or by visiting us on the Internet at [AlightFinancialAdvisors.com](http://AlightFinancialAdvisors.com) or email at [advisorinfo@alight.com](mailto:advisorinfo@alight.com) for Professional Management and Online Advice Services. For the Alight IRA please visit [AlightFS.com](http://AlightFS.com) or email at [Alightfscustomerservice@alight.com](mailto:Alightfscustomerservice@alight.com)

Additional information about our firm also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 158744.

Effective date of this brochure: December 1<sup>st</sup>, 2024

# Material Changes

Alight Financial Advisors (“we”, “us”, or “AFA”) became registered with the U.S. Securities and Exchange Commission on September 14, 2011 (registration does not imply a certain level of skills or training). As material changes occur in our firm, including material changes in our structure, personnel, or offerings, we will update our brochure and highlight the changes in this section.

Material changes in this updated brochure reflect the availability of the Alight IRA, an offering for which AFA provides discretionary asset management. The Alight IRA will be available to clients beginning on November 1<sup>st</sup>, 2024. Items 2, 4, 5, 7, 9, 14, and 17 have been supplemented to provide additional detail on the features, terms and risks related to the Alight IRA offering.

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## **1. Start Date/Ownership**

Our firm was incorporated in Delaware on January 7, 2011. We went live with our first clients for our plan participant investment advisory/managed account business in autumn 2011.

We are a wholly owned subsidiary of Alight Solutions LLC (Alight Solutions). Alight Solutions is a provider of benefits administration and cloud-based HR and financial solutions, and is a subsidiary of Alight, Inc, a publicly held company whose stock is traded on the New York Stock Exchange under the symbol "ALIT".

## **2. Description of Our Advisory Business**

### **Workplace Retirement Solutions**

AFA offers advisory and related services to participants in employer-sponsored, defined contribution plans for their plan accounts and for retirement accounts outside the plans. AFA offers services for employees' workplace retirement accounts through an agreement between AFA and the plan and/or the sponsoring employer ("plan sponsor"). Details regarding our Professional Management and Online Advice offerings are detailed below.

When we provide investment advice or recommendations to clients regarding their retirement plan, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. We operate under a special rule, Prohibited Transaction Exemption ("PTE") 2020-02, that requires us to act in the client's best interest and not put our interests ahead of theirs. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice).
- Never put our financial interests ahead of our clients' when making recommendations (give loyal advice).
- Avoid misleading statements about conflicts of interest, fees, and investments.
- Follow policies and procedures designed to ensure that we give advice that is in your best interest.
- Charge no more than is reasonable for our services; and
- Give clients basic information about conflicts of interest.

### Overview

We provide the services to plan participants in the following ways:

1. Retirement Evaluation – this is a statement provided to participants which includes a summary of the current value of their plan account, and a forecast of how much the plan account investments might provide as income in retirement. The Retirement Evaluation may recommend changes to the participant's contribution rate, risk and diversification, unrestricted company stock holdings, if applicable, or investment style and allocation.
2. Online Advice – we provide advice regarding retirement plan investment recommendations and account monitoring services to plan participants. In this service, plan participants do not give us investment discretion to act on our advice.
3. Professional Management – this is a service whereby plan participants give us discretionary authority to determine the plan investment choices in which their retirement plan balances should be invested.
4. Calculators and Tools– provide guidance and estimates on expected lifetime Social Security benefit, based upon information about the Plan participant, his/her stated goals as well as current Social Security laws, rulings, and formulas available from the Social Security Administration. Additionally, participants have access to the retirement expense calculator, and the healthcare expense calculator.
5. Income Beyond Retirement- This service provides portfolio management and income payout options to retirees and near retirees from their 401(k) or similar plan account. For those who elect this feature, the Firm manages the client's portfolio to balance between safety and growth, seeking to protect the ability of the account to generate future income.

AFA has hired Financial Engines Advisors L.L.C. ("FEA") to provide sub-advisory services and create target allocations for participants through the Workplace Retirement Solutions offering. We rely exclusively on the proprietary software, systems, and methodology developed and maintained by Financial Engines Advisors L.L.C., an SEC-registered investment advisor. Both FEA and Edelman Financial Engines, LLC ("EFE") are unaffiliated with AFA or any of our affiliated companies.

A detailed summary of each of these services follows:

## A. Retirement Evaluation

As part of the advisory services available to participants in employer-sponsored retirement plans described below, AFA may provide clients with a Retirement Evaluation. The Retirement Evaluation is delivered in printed or electronic format to specified plan participants, and is designed to communicate some (or all) of the following information:

- A summary of the current value of the participant's plan account.
- whether a change is recommended to the participant's contribution rate, their portfolio's risk and diversification, unrestricted company stock holdings, if applicable, target date fund usage, if applicable, and/or investment style and allocation.
- Investment proposals; and

- A projection of how much annual income the participant may anticipate at retirement, based on how much the plan account plus Social Security and certain other accounts could provide.

## B. Online Advice

Online Advice is a service that is available to all participants in employer-sponsored defined contribution plans through an agreement between AFA and the plan and/or the sponsoring employer. Online Advice includes the following educational and guidance features:

- A forecast of the participant's potential future account value or potential annual retirement income likely to be generated based upon the information provided.
- A forecast of the likelihood that the participant will achieve his/her self-reported retirement income or account value goals, taking into consideration the participant's total household investment portfolio and other savings as known by the tool.
- Phone access to investment advisors via a toll-free number
- Guidance on savings rates and retirement age; and
- Access to ongoing monitoring, including optional, online quarterly retirement updates.
- Access to tools and calculators, including Social Security, Retirement Expenses and Healthcare Expenses

AFA typically offers the following two service levels in connection with Online Advice:

- Total Retirement: advice on a household's tax deferred accounts; or
- Total Portfolio: advice on a household's tax deferred and taxable assets.

Plan participants who enter into or adopt an Investment Services Agreement with AFA can also receive recommendations among the investment alternatives available in the employer-sponsored retirement plan. Such alternatives generally include mutual funds and other investment company securities, and in some cases, one or more equity securities issued by the plan sponsor. With Online Advice, the participant retains discretion over his/her employer-sponsored retirement plan and is free to decide whether to implement AFA's recommendations, in whole or in part.

### Investment recommendations.

Online Advice clients will receive specific recommendations on how to allocate their funds among the universe of investment alternatives that have been selected by their plan sponsor or other plan fiduciary for the applicable defined contribution plan or by another financial institution or the adopter, in the case of other accounts outside of the plan account. These alternatives are generally mutual funds, unregistered commingled funds and, in some cases, one or more equity securities issued by the plan sponsor.

AFA provides advice and recommendations with respect to:

- Mutual funds.
- Commingled funds.
- Separate accounts; and
- Exchange-listed equity securities (sell only).

When generating investment recommendations, AFA may also take into consideration closed-end funds and exchange traded funds as well as other holdings, as appropriate and where it has access to such information.

Advice implementation. The Online Advice client is responsible for determining whether and when to implement the recommendations they receive from Online Advice. AFA has established electronic communications links with the Alight Solutions recordkeeping system to enable plan participants to transmit their contribution and investment decisions for execution if they choose to do so. With Online Advice, AFA does not have discretion over client accounts and does not initiate trade instructions on behalf of clients.

Account monitoring through Online Advice. Plan participants may use Online Advice as frequently as they choose to monitor progress toward their retirement goals, receive forecasts and investment recommendations, and access educational calculator tools. Online Advice updates the values of most mutual funds and stocks in plan accounts daily. A participant is responsible for periodically revisiting Online Advice to ensure that account information, holdings and personal information is accurate and up to date.

The failure of an Online Advice client to review and periodically update their personal and financial information can materially affect the value of this service. For certain participants, some account information may be updated automatically when the client revisits Online Advice if AFA has established an electronic communications link with the participant's plan sponsor and/or plan provider or other financial institution. For manually added and linked accounts, we rely on the user to provide ongoing and updated data either by logging in to refresh a linked account or by manually updating the manually added accounts. AFA may periodically provide e-mail notifications to clients concerning changes in the value of the client's investments or the chances of reaching the client's goal.

Investment analysis. AFA offers plan participants who use Online Advice investment analysis in the form of Scorecards. Each Scorecard presents an analysis of the risk, expenses, style, turnover and historical performance of a particular plan investment fund and assigns the fund a score. A fund's score describes how the fund might perform in the future relative to its peers. The Fund Scorecard also compares the fund against its peers in the terms of risk, expenses, turnover, and historical performance. The Fund Scorecard also presents a graphical representation of historical performance

and a range of potential future values of a hypothetical investment in the fund. AFA's Scorecards for individual equity securities depict the relative risk and historical performance of the individual stock.

## C. Professional Management

AFA also provides discretionary investment management of a participant's retirement plan account through the Alight Solutions Professional Management program ("Professional Management" or the "program"). Professional Management may include the following features:

- Retirement Plan or similar document showing how AFA will manage and allocate the account, i.e., the portfolio allocation target; suggestions regarding the participant's savings, and a forecast regarding achievement of the participant's retirement goals;
  - periodic portfolio monitoring.
  - updates on current retirement account balances and estimated contributions, and a retirement income forecast.
  - provide suggestions for ways to modify the income forecast, set appropriate risk levels, and get a more holistic picture of likely retirement finances; and
  - Quarterly Retirement Updates.
  - phone access to investment advisors via a toll-free number as well online account access; and
  - subject to availability, non-discretionary investment advice on retirement accounts outside the plan account.

### Clients of Professional Management

As part of the Professional Management service, clients authorize AFA to direct Alight Solutions to execute transactions to achieve the allocation target for the account without prior approval of each transaction. Professional Management is generally made available to plan participants in a defined contribution plan through an agreement between AFA and the plan and/or the sponsoring employer. That agreement will specify the method(s) of enrollment into Professional Management for eligible plan participants, which may include:

- An "opt-in" method of enrollment where a retirement plan participant actively elects to enroll in the program.
- An "opt-out" method of enrollment where eligible plan participants are automatically enrolled in Professional Management in accordance with plan or plan sponsor specifications, with the ability to withdraw at any time without penalty (with this type of enrollment, Professional Management may be designated as a qualified default investment alternative or QDIA) as permitted under the Employee Retirement Income Security Act ("ERISA"); or



- Some combination of both methods, as determined by the plan or plan sponsor and as agreed to by AFA.

Plan participants who become clients in Professional Management grant AFA discretionary authority to determine an allocation target for the plan account based upon a variety of inputs provided to the Firm, and then to direct the plan provider to execute transactions in a manner designed to achieve that target. This discretionary authority allows AFA to allocate the client's plan account among the menu of investment alternatives that have been selected by the plan or plan sponsor, typically excluding any brokerage window option, if applicable, or other plan restricted investments.

To allow AFA to provide Professional Management, AFA receives information from Alight Solutions about each plan participant and the plan account. Professional Management clients may provide additional information to AFA concerning preference for a growth or income focus, desired retention of company stock, risk preference, asset class exposure limitations, assets held outside the plan and desired retirement age. AFA may take into consideration a client's holdings outside the retirement plan in determining the allocation target.

AFA determines an investment strategy and an allocation target based on a reasonable understanding of what is in the best interest of the client, including by considering the client's current age, an assumption about the retirement age, the available investments for the account, any pension plan information provided, assumption about risk tolerance, and any additional information provided by the client. Additional information provided by the client may modify these parameters.

Due to the statistical nature of AFA's investment process, more than one potential portfolio will satisfy the criteria for an appropriate investment strategy. This optimal set of portfolios that offer the highest expected return for various levels of risk is often referred to as the "efficient frontier". The efficient frontier is not a line, but instead is a thin band of portfolios with varying allocations. The portfolio that is selected for implementation is the product of optimization enhancements developed by FEA, which consider, among other factors, portfolio turnover, concentration, risk and expected return, number of positions and transactions.

During the period following enrollment, AFA determines how to transition the account towards the allocation target and directs Alight Solutions regarding allocation of the account, which may include transfer or exchange directions, and provides direction regarding new contributions to the account. AFA does not give account directions relating to plan restricted investments. Certain plan sponsor "insiders," as defined under applicable U.S. Federal regulations, and non-U.S. participants in plans, may not be eligible for AFA's Professional Management program.

#### Portfolio Monitoring

AFA provides ongoing monitoring of participants' retirement accounts when enrolled in Professional Management.

Portfolio Monitoring includes:

- review of the account asset allocation to determine if changes are needed based on allocation drift or recent updates made by the participant in the form of personalization.
- distribution of quarterly Retirement Update which reflects changes made in accounts over the quarter.

## D. Income Beyond Retirement

Professional Management clients may also, if their plan provider has elected to offer this service and if available under the plan sponsor's agreement with the AFA, access AFA's "Income Beyond Retirement" feature. This service provides portfolio management and income payout options to retirees and near retirees from their 401(k) or similar plan account. For those who elect this feature, AFA manages the client's portfolio to balance between safety and growth, seeking to protect the ability of the account generate future income. Income Beyond Retirement also allows additional flexibility for a client to select what portion of their managed account is managed on our standard "growth" objective, and what portion is managed on an "income" objective. Income Beyond Retirement seeks to manage investments and to create payouts that can generally last clients into their early 90s. Upon request, in addition to managing the investment allocations in such accounts, the AFA will work with the plan provider to calculate and facilitate withdrawals from the client's plan account post-retirement. AFA does not receive any additional compensation for providing the Income Beyond Retirement service.

Clients pay no additional fees for the Income Beyond Retirement features, and they can transition to an Income Beyond Retirement portfolio upon eligibility at their request (as defined, in part, by the agreement between AFA and the relevant sponsor). An account balance is maintained for an optional out-of-plan annuity purchase. An in-plan annuity need not be included in a plan's investment lineup for a plan sponsor to offer Income Beyond Retirement to its participants. While AFA may provide general educational information regarding an out-of-plan annuity, it does not sell or distribute annuities and does not receive any compensation related to out-of-plan annuity purchases made in relation to the Income Beyond Retirement features.

Income Beyond Retirement availability is subject to establishment of certain data connectivity arrangements between AFA and the applicable plan provider and is subject to applicable retirement plan provisions related to plan withdrawals.

## The Alight IRA

### Program Summary

Starting in November of 2024, AFA will offer a Retail Individual Retirement Account ("IRA") solution. The Alight IRA ("Alight IRA managed account services", "managed account services" or "the services") is made available to plan participants in employer sponsored defined contribution retirement plans for which AFA's parent company, Alight Solutions, is the record keeper. The Alight IRA managed account services allows plan participants to establish an IRA and fund in any way permitted under the

Alight IRA managed account services client agreement. AFA has appointed Goldman Sachs Asset Management (“GSAM”) , an independent SEC-registered investment advisor to provide subadvisory services for the Alight IRA offering. GSAM is part of The Goldman Sachs Group, Inc., a public company that is a bank holding company, financial holding company and a world-wide, full-service financial services organization. GSAM offers goal and risk-based financial planning and portfolio management services. Managed Account Services provided by GSAM are generally delivered to retail investors accounts through an automated software platform (the “Software Platform”) provided by GSAM. As subadvisor on the Alight IRA, GSAM will be responsible for the day-to-day portfolio management of retail investor accounts under the Alight IRA.

## **Portfolio Management**

Alight IRA managed account services include discretionary portfolio management, which includes a complement of different options. The managed account retirement planning tool (“Model”) provides personalized asset allocation advice (“Advice”), and contributions, retirement and portfolio withdrawal (“spend down”) guidance. The managed account services are informed by an individual investor’s (“Investor”) inputs about his or her investment objectives, profile and financial needs, and Alight IRA managed account services assumptions as described in METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS below. The services provide a retirement plan (“Plan”) that may propose different options for an investor, including a personalized investment allocation (“asset allocation”) and future asset allocation glidepath, retirement age, retirement spend down rates, contribution rates to accommodate future contributions to the Plan.

AFA provides certain educational content and guidance, including but not limited to certain projections and suggestions about contributions, retirement age, and portfolio withdrawals, available to Investors through their Alight Worklife portal or website. Educational content and guidance are provided for informational purposes only and does not constitute investment advice or an investment recommendation. AFA is not acting as an investment adviser or fiduciary in providing Investors with access to this information.

## **Advice Implementation**

Using an Investor’s available profile information such as current age, expected retirement age, and other demographic and financial inputs, AFA recommends a personalized asset allocation glidepath. An Investor can understand the potential differences in retirement outcomes by adjusting their contribution rate and/or retirement age. The Advice will generally be implemented for the Investor using exchange traded funds (ETFs) and/or mutual funds, as well as the default cash sweep vehicle.

The Investor’s asset allocation and glidepath is automatically reviewed at regular intervals by AFA. For example, each year on the birthday of an Investor, as well as quarterly throughout the year, AFA may automatically update its Advice and guidance (based upon information known about the Investor, such as advancement in age, marital status, account balances, level of contributions, retirement spending needs, information received from third-party linked accounts of the Investor and AFA’s financial, economic and market assumptions.) These updates may result in a change in the Investor’s asset allocations or glidepath. Likewise, AFA monitors the Investor’s asset allocations on a

daily basis, rebalances the account when it deems the portfolio is out of tolerance with its model asset allocation parameters, and makes adjustments to portfolio holdings when necessary.

### **3. Assets Under Management**

As of December 1<sup>st</sup>, 2024, AFA manages approximately \$33,737,582,682 in assets on a discretionary basis. Because Online Advice does not constitute continuous and regular supervisory management, AFA did not manage any assets on a non-discretionary basis as of December 1<sup>st</sup>, 2024.

### **4. Fees and Compensation**

#### **Workplace Retirement Solutions**

##### Online Platform Fees

AFA's arrangements with a plan or plan sponsor to provide Online Advice to plan participants generally provide for AFA's fee to be paid by the plan or the plan sponsor, although in some situations, the plan may require this fee to be paid by the participant. Such fee may be up to \$10 per eligible plan participant per year, depending on the services provided; however, AFA and the plan or the plan sponsor may negotiate a different fee schedule based on other factors, including but not limited to, the amount of aggregate assets in the plan or the assets in participant accounts, or a flat annual or other periodic fee. Payment schedules and the ability to obtain refunds for prepaid but unearned fees are a part of AFA's agreement with the plan sponsor.

Neither AFA nor its supervised persons receive commissions or compensation for the recommendations AFA makes in connection with Online Advice or Professional Management (as described immediately below).

##### Professional Management Fees

Clients enrolled in Professional Management pay fees to AFA based on a percentage of the managed assets in their plan account or accounts (up to 0.60%, generally declining for account balances greater than \$100,000). Professional Management clients pay monthly in arrears. The fees are based on the average assets under management for the applicable period. Fees are deducted directly from client accounts. AFA does not bill clients and does not deduct the fees from clients' take-home pay. Alternatively, the plan sponsor may pay such fees in whole or in part.

The Professional Management fee schedule is subject to change and AFA may offer certain clients discounted fees or other promotional pricing. Fee schedules may vary depending on the method of enrollment used for Professional Management.

### Alight Financial Path ('AFP')

Alight charges a per user fee or per participant fee of \$.50-\$2.00 per month for AFP services.

### Other Fees

AFA may charge certain retirement plans or plan sponsors one-time or regular licensing, set-up, integration, or development fees in connections with the provision of AFA's services. For example, certain retirement plans or plan sponsors may pay fees relating to the modeling of specific plan or investment characteristics.

AFA receives cash compensation from FEA for referring participants to EFE's Personal Advisor service. Fee information is made available to participants in the Supplemental Disclosure Statement.

We would also like to note that some customers may receive reduced fees based upon the plan's overall suite of services it utilizes with Alight Solutions.

## **The Alight IRA**

AFA charges an advisory fee at an effective annual rate of 0.30 - 0.50% for the Alight IRA managed account services, which is based upon the average daily net assets of the eligible investments and available cash balances in the Alight IRA managed account ("Available Investments"). This fee is accrued daily and is debited from an Investor's Account balance on a quarterly basis in arrears. The fee rate is based upon assets under management per investor and is as follows:

- 50bps on the first \$100,000 of Available Investments
- 40bps on the next \$150,000 of Available Investments
- 30bps on all Available Investments above \$250,000

This fee covers the applicable investment management fees, the investment advisory fees, custodial fees, costs associated with the execution and clearing of transactions, related retirement planning and/or other goals, investment education and support services, and administration costs. As subadvisor, GSAM is entitled to receive a portion of the advisory fee.

Investments in mutual funds, ETFs, and other pooled investment vehicles are subject to additional fees, expenses, and commissions, including sales loads, at the level of the investment vehicle, each of which are disclosed in the applicable investment vehicle's prospectus or offering documents. Investors will also bear their pro rata share of the fund fees and expenses, in addition to the fees and expenses charged by AFA.

AFA charges non-advisory account fees to cover the cost of the custodial arrangement required to maintain an Investor's Account. The most commonly incurred non-advisory fees below. For a full listing of non-advisory account fees please visit [AlightFS.com/fees](https://AlightFS.com/fees).

<b>Fee Type</b>	<b>Fee Rate</b>
<b>Account Closing Fee</b>	\$95
Paper Statements	\$5 per statement
<b>Outgoing Wire</b>	\$25

## 5. Performance-based Fees and Side-by-side Management

AFA does not charge any performance-based fees, that is, fees based on: a share of the capital gains or capital appreciation of the assets in a client's account; investment performance; or other incentive arrangements. AFA charges fees, including fees for Online Advice, Professional Management, and the Alight IRA solely as described in FEES AND OTHER COMPENSATION above. AFA does not compensate its supervised persons with performance-based fees.

As a result, AFA does not have any conflicts of interest that might arise from charging fees calculated on varying bases for various client accounts.

## 6. Types of Clients

AFA offers its Workplace Retirement Solutions exclusively to participants in employer-sponsored defined contribution plans. Workplace Retirement Solutions, including investment advice and investment management, is offered to actively enrolled plan participants. The Alight IRA offering is available to plan participants in certain employer sponsored defined contribution retirement plans who are seeking support with their retirement saving and investing.

## 7. Methods of Analysis, Investment Strategies, and Risk of Loss

### Workplace Retirement Solutions

As previously noted, AFA relies upon Financial Engines Advisors' ("FEA") proprietary advice methodology to provide its investment advisory and related management services in connection with the Workplace Retirement Solutions offering. Consistent with its fiduciary duties to its plan participant customers, AFA's policy is to exercise high levels of care and prudence in making and implementing investment decisions for participant accounts, including but not limited to ongoing review and monitoring of FEA's investment methodology, processes, and procedures.

Broadly speaking, FEA's investment philosophy is guided by certain basic principles, including:

- Developing diversified portfolios that feature a range of asset classes and market sectors.
- Utilizing holdings that strike a balance between those that are the most cost-effective and those that we forecast may offer added return.
- Maintaining investment strategies, and often individual investments, longer term.
- Strategically reallocating investments as conditions warrant and as goals, time frames or other material realities of clients change; and
- Periodically rebalancing as needed to ensure long term commitment to overall strategies and allocation targets.

### Methodology Overview

FEA's recommended or managed portfolio allocations are driven by the following key factors:

- Client investment objectives (i.e., growth, income, or a combination)
- Client risk tolerance
- Client circumstances (time horizon, pensions, other household investments, etc.)
- Available investment securities within client accounts
- Forward-looking models of securities' risk expected returns, and correlations.

Depending on the specific situation, investment securities receiving specific buy and sell recommendations include mutual funds, commingled funds, separate accounts, exchange-traded funds, individual equities, and certificates of deposit. FEA uses a number of different methods to model the risk and return properties of these investments, including returns-based style analysis, compositional analysis, and qualitative review of fund managers. Assessments of forward-looking returns incorporate information on expenses, turnover, and risk-adjusted manager performance. For investments held in taxable accounts, FEA also analyzes the tax efficiency of those investments.

Although FEA may recommend trading or short-term purchases depending on market conditions, changes in individual preferences and other criteria, it is generally anticipated that the dominant mode of advice will recommend long-term purchases. Reasons for reallocations may include:

- Client-driven – Changes in client objectives, preferences or data may necessitate a revised target allocation.
- Rebalancing – When an asset category or particular investment product has experienced a material appreciation or decline in value, beyond the assigned percentage for that asset category or investment product in comparison to other asset classes or investment products, the extra amount may be sold, and the proceeds invested in asset categories or investment products that have not appreciated as much or have declined in percentage.

- Updated assessment of forward-looking returns, risks, and correlations – FEA regularly updates its risk and return models, which may affect its assessment of prospects at the level of macroeconomic factors, asset classes, and/or individual investments. These updates may in turn lead to revised target allocations in client accounts.

Consistent with its fiduciary duties, FEA's policy is to exercise high levels of care and prudence in making and implementing investment decisions for client accounts. FEA typically employs validation tests and operational, oversight and quality control procedures. However, FEA relies on a significant amount of data from multiple sources and cannot guarantee that all relevant data are free from error. Certain data are regularly presented to clients who are responsible for informing FEA of any inaccuracies in a timely way.

#### Application of Methodology for Services through the Workplace

The methods of analysis and investment strategies applied to services offered to participants through the workplace depend in part on their stated goals. For participants who have selected a growth objective, the advice platform generates a recommended portfolio allocation that is generally designed to maximize expected returns in light of the client's risk level. For participants who have selected an income objective, where available, the advice platform generates a portfolio designed to provide steady payouts in retirement.

Due to the statistical nature of FEA's process, a number of potential portfolios will satisfy its criteria for an appropriate investment strategy and allocation. This optimal set of portfolios that offer the highest expected return for various levels of risk is often referred to as the "efficient frontier." The efficient frontier is not a line, but instead is a thin band of portfolios with varying allocations. The portfolio that is selected for implementation is the product of optimization enhancements developed by FEA, which take into account, among other factors, portfolio turnover, concentration, risk and expected return, number of positions and transactions.

The universe of available investment alternatives may be designated by the plan sponsor or other plan fiduciary (in the case of a defined contribution plan account), by a financial institution, or by the client. Investments or securities not available in such defined universes may have characteristics similar or superior to those available investment alternatives being analyzed. Except in connection with its IRA management, FEA has no authority or responsibility to select the universe of investment alternatives available for client accounts, nor does FEA have the authority or responsibility to monitor investment choices for the continued appropriateness for inclusion in the universe, or to monitor the adequacy of the universe as a whole. Such decisions are made by the individual plan sponsors, the plan fiduciary or other third parties. In such situations, FEA bases its recommendations on the universe of available holdings.

#### Risk of Loss Relating to Workplace Retirement Solutions



All investments, including mutual funds and/or exchange-traded funds, have certain risks. These risks include the risk of loss of principal. This is a risk borne by the client. FEA constructs portfolios with allocations across several asset categories. This diversification is intended to reduce the volatility in clients' investment portfolios when compared to a single asset category, such as large cap growth stocks or small cap value stocks. While a diversified investment portfolio, including a portfolio of investment products representing different asset categories, can mitigate some risks, it does not and cannot prevent loss.

Below are some of the common factors that can produce a loss in a client's account and/or in a specific investment product, asset category or even in all asset categories.

- **Market Risk:** The price of a security, bond, or mutual fund and/or exchange-traded fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter the economic environment.
- **Category or Style Risk:** During various periods of time, one category or style may underperform or outperform other categories and styles.
- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values, and the market value of any mutual fund and/or exchange-traded fund holding those bonds, to decline.
- **Inflation Risk:** When any type of inflation is present, purchasing power may be eroding at the rate of inflation.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This relates primarily to fixed income securities.
- **Exchange-traded funds:** Exchange-traded funds present market and liquidity risks, as they are listed on a public securities exchange and are purchased and sold via the exchange at the listed price, which price will vary based on current market conditions and may deviate from the net asset value of the exchange-traded fund's underlying portfolio.

## The Alight IRA

AFA relies upon the advice methodology provided by GSAM in order to deliver Advice for the Alight IRA managed account services. AFA's policy is to exercise high levels of care and prudence in making and implementing investment decisions for managed accounts, including but not limited to ongoing review and monitoring of GSAM's investment methodology, processes, and procedures.

In order to develop an appropriate retirement Plan, AFA's Advice relies on certain assumptions based on AFA's understanding of the global macro-economy, financial markets and certain laws and regulations, including regulations by the Internal Revenue Service. Investor data provided by an account custodian(s), defined contribution plan recordkeeper(s), and certain additional information provided by the Investor is also considered in determining the Advice, as applicable.

Relevant assumptions made in connection with determining the Advice are derived from information referenced above, which generally include, but are not limited to:

- **Anticipated retirement age.**
- **Planning horizon.** The planning horizon is based on Investor's (and the Investor's spouse's, if such information is provided by the Investor) demographic information and longevity to calculate a possible lifespan.
- **Anticipated guaranteed sources of income.** Income sources include Social Security benefit, defined benefit pensions and annuities, along with their respective commencement dates and terms, if applicable.
- **Desired retirement income.** The level of spending AFA assumes the Investor(s) (or surviving spouse) desires once retired, is based on the Investor's salary or income and level of contributions.
- **Advice risk factor assumptions.** These assumptions do not impact the Advice if the Investor does not provide additional information. To the extent the Investor provides information, the Advice may change. Risk factors include:
  - Health status
  - Skill level (ability to grow salary or income)
  - Salary or income risk
  - Investor's preference for limiting the risk level of their accounts
- **Confidence level.** Markets may perform better or worse than expected when considering the thousands of possible economic and financial market scenarios simulated by the Model. The Advice is based on a level of confidence that the Investor will be able to achieve his or her retirement spending goal over the course of the Investor's planning horizon. The Investor is shown different estimated retirement spending outcomes at different confidence levels to show the variability in potential retirement outcomes based on the recommended asset allocation glidepath and hypothetical future market outcomes. The confidence level is not a guarantee of returns.

### *Asset allocation advice*

Some details of the Advice risk factors, and their potential impact are described below.

- The gender and marital status of the Investor may change the planning horizon and, accordingly, alter the personalized glidepath to reflect the new planning horizon.
- Investors with above average *health risk* are anticipated to have below-average longevity and may not require as many years of their desired retirement spending as an assumed average Investor.
- Investors with above average *salary risk* may experience greater fluctuations in their income than average.
- Investors with above average *sequence risk* have an above average reliance on their portfolio withdrawals for their retirement spending. Sequence risk is the risk that an investor faces below average or negative investment returns at an inopportune time and is generally highest for investors near retirement.
- Investors with an above average *funding gap* are at above average risk of not achieving their desired retirement spending levels. A funding gap means the Investor is underfunded.

#### *Contributions guidance*

In order to increase the likelihood that the Investor achieves the retirement income goal, the Model may provide guidance about additional contributions. Contributions may be assumed to be made to an Individual Retirement Account (IRA), Simplified Employee Pension IRA and/or a taxable brokerage account.

#### *Retirement age guidance*

If the Model deems the combination of asset allocation advice and contributions guidance to be insufficient to meet the Investor's retirement spending goal (i.e. the funding gap), the Model may suggest that the Investor consider delaying their retirement if they want to seek to sustain their pre-retirement standard of living.

#### *Portfolio withdrawals guidance*

A final output of the Model is the Investor's portfolio withdrawals. The Model will provide guidance about a projected monthly portfolio withdrawal in retirement based on the Investor's planning horizon and confidence level.

The Model seeks the highest projected monthly withdrawal amount that the Investor can potentially sustain through the planning horizon, given the asset allocation glidepath, contributions rate, and retirement age at a 70% confidence level.

### **Risk of Loss Relating to Alight IRA Managed Account Services**

General Risks— Alight IRA Managed Account Services involve risk, including loss of principal, which investors should be prepared to bear. Under normal conditions, an Investor's asset allocation will typically become more conservative over time as retirement approaches through a reduced allocation to equity funds and an increased allocation to fixed income funds in accordance with the baseline glidepath, subject to certain guardrails around the baseline glidepath established by AFA and adjustments based on information about an Investor's retirement circumstances and goals. A conservative asset allocation does not mean that the asset allocation or its underlying investments are without risk. The Investor Accounts are subject to the risks associated with their underlying investments. These risks change over time as the asset allocation strategy adjusts. There is no

assurance that the asset allocation strategy or any underlying investment will achieve its investment objective, and each will fluctuate due to market conditions and other factors, including various market, liquidity, currency, economic, political and other risks. The ability of the asset allocation strategy to meet its investment objective is directly related to the information that AFA receives (and the accuracy of that information), the ability of the underlying investments to meet their investment objectives, and the allocation among those investments. There is no guarantee Alight IRA Managed Account Services will provide adequate income at or through retirement.

Risks Associated with Using the Alight IRA Managed Account Services Algorithms—The algorithms used by the Alight IRA Managed Account Services (“Managed Account Services Algorithms”) are based on the capital market assumptions and analysis of AFA. The investment objectives of the Managed Account Services Algorithms are not intended to replicate a perfect “model” portfolio, but are, instead, intended to reflect the investment philosophy of AFA. The Managed Account Services Algorithms also entail the use of sophisticated statistical calculations and complex computer systems, and there is no assurance that AFA will be successful in carrying out such calculations correctly, or that the use of these quantitative models and systems will not expose Investor Accounts to the risk of significant losses. More specifically, AFA’s ability to implement key investment objectives is dependent on a number of considerations, including, but not limited to, the economic, analytical and mathematical components and assumptions of each model, the accurate encapsulation of those components in a complex computational environment (including the Software Platform), the data quality incorporated into the models, changes in market conditions, the successful expression of the models’ views into any applicable investment portfolio construction, and the ability of authorized personnel of AFA or an Institution to interpret and implement model outputs. Several of the aforementioned considerations (and others) present the possibility of human error. While AFA has established certain systematic rules and processes for monitoring Investor portfolios to ensure they are managed in accordance with their investment objectives, there is no guarantee that these rules or processes will effectively manage the risks associated with the Managed Account Services Algorithms in all market conditions. Consequently, while AFA employs controls to help ensure that models are sound in their development and appropriately adapted, calibrated and implemented into the Software Platform, the risks and certain errors associated with the Managed Account Services Algorithms can and will persist. Furthermore, errors can be very difficult to detect in some instances, with some errors potentially going undetected for long periods of time, or not detected at all. AFA’s controls and processes are designed to help ensure that certain types of errors are subject to review once discovered, however, the effect of errors on the investment process and, as applicable, Investor Account performance (positive or negative) may not be fully apparent when discovered.

Risks Related to Exchange-Traded Funds — Exchange-traded funds present market and liquidity risks, as they are listed on a public securities exchange and are purchased and sold via the exchange at the listed price, which price will vary based on current market conditions and may deviate from the net asset value of the exchange-traded fund’s underlying portfolio.

Risks Related to Inflation — When any type of inflation is present, purchasing power may be eroding at the rate of inflation.

Risks Related to Accuracy of Information—AFA bases its investment advice with respect to Alight IRA Managed Account Services on information provided by Investors, or, as applicable, data held with a recordkeeper. If AFA were to receive inaccurate or false information, or fail to provide material information, the quality and applicability of the investment strategies, recommendations made to, and, if applicable, management of Investor Accounts can be materially impacted (the same applies to information provided by a plan's recordkeeper). AFA can and will also receive data and information about Investors from its third-party custodian and broker. Additionally, AFA can and will utilize data and information from one or more third-party data providers in order to evaluate and analyze securities. If such data and/or information were to prove inaccurate, false or otherwise materially compromised, the quality and applicability of the investment strategies, recommendations made to, and, if applicable, AFA's management of Investor Accounts could be materially impacted.

## **8. Disciplinary Information**

We are required to disclose any 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. Our firm and our management personnel have no reportable disciplinary events to disclose.

## **9. Other Financial Industry Activities and Affiliations**

Some of our advisory associates are also employed in various corporate capacities by Alight Solutions. We pay Alight Solutions for all of our expenses incurred by it that relate to the operation of our business including costs associated with total employee compensation, supervised persons licenses, rent and utilities, furniture and equipment, computers, and telephones. All such expenses, and allocation methodologies thereof, are governed by an expense sharing agreement between us and Alight Solutions.

Alight Financial Solutions, LLC (AFS), is a registered broker dealer and wholly owned subsidiary of Alight Solutions LLC. AFS may serve as the broker-of-record for the sponsor of retirement plans that retain us to provide investment advisory services to their participants. In such cases, AFS may receive revenue in the form of 12b-1 fees, commissions, or other service fees associated with participants electing to invest in certain funds offered by the plan. Similarly, Alight Solutions may receive administration services fees from the same or other investment funds offered by the plans for services it provides to such funds. In all such cases, any revenue received by AFS or Alight Solutions is fully disclosed to the plan sponsor and Alight Solutions reduces its plan administration service fees dollar-for-dollar by any revenue it or AFS receives from such funds. As a result, neither AFS nor Alight Solutions has an economic incentive regarding the investment decisions made by plan participants.

AFS also acts as the introducing broker for the Self-Managed IRA version of the Alight IRA, which was designed for investors who prefer to 'Do-it-Myself'. For this option, plan participants may choose to establish an IRA brokerage account and fund in any way applicable for IRA accounts where the account holder is responsible for the direction of account investments. This is a separate offering from the Alight IRA Managed Account Services and has a separate set of fees.

If a plan participant or beneficiary desires to affect a rollover from a plan to an IRA account advised or managed by AFA (e.g., the Alight IRA), or if AFA, AFS or one of their affiliates makes a recommendation to affect a rollover, AFA will have a conflict of interest given that the advisory fees on the Alight IRA offering can reasonably be expected to be higher than those AFA receives in connection with the Workplace Retirement Solutions due to the individualized nature of our IRA-related services. To manage such conflicts, AFA will disclose relevant information about the applicable fees it charges for advising or managing an Investor's Account, as well as reviewing the benefits each retirement account allows for before opening an account to receive the rollover. The decision as to whether to take a distribution from any retirement account rests solely with the individual participant and beneficiaries.

Some of our employees are also affiliated with AFS but receive no sales-based compensation in connection with any recommendation they provide customers.

Finally, please note a number of investment management firms whose funds are made available to plan participants for investment may be clients of Alight Solutions. We maintain strict standards to avoid any perceived conflicts of interest associated with our recommendations of clients of our parent or affiliated firms. None of our employees' compensation is tied in any way to the selection of an Alight Solutions client firm as an investment option to be considered by one of our investment clients. Nor do any of our employees get compensated for "cross-selling" other Alight Solutions organization services to any client.

## **10. Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading**

We have adopted a Code of Ethics expressing our commitment to ethical conduct. Our Code of Ethics describes the firm's fiduciary duties and responsibilities to clients and sets forth our practice of supervising the personal securities transactions of our supervised persons with access to client information. Our officers, directors and employees may buy or sell securities for their personal accounts identical to or different than those held by our clients. It is our policy that no supervised person shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on the investment decisions of advisory clients.

To supervise compliance with our Code of Ethics, we require that anyone associated with this advisory practice with access to advisory recommendations provide duplicate statements and confirmations on all personal trading accounts to the firm's Chief Compliance Officer. We require these access persons

to also receive approval from the Chief Compliance Officer prior to investing in any IPOs or private placements.

We require that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Our Code of Ethics further includes the firm's policy prohibiting the misuse of material non-public information. Any individual not in observance of the above may be subject to discipline.

We will provide a complete copy of our Code of Ethics to any client or prospective clients upon request to the Chief Compliance Officer at our principal address.

## **11. Financial Planning and Alight Financial Path**

AFA also offers a separate financial planning service, which is not associated with our investment advisory services, Edelman Financial Engines, or GSAM.

AFA makes financial planning available to participants through a third-party financial planning technology platform. The planning technology is accessed through the employer's benefits site, and allows participants to utilize the financial planning tool as a self-guided service or in coordination with an AFA Advisor. Participants have the ability to speak to an advisor in greater detail for assistance with creating a plan and/or answering financial education questions based on the plan's output.

Several reports can be generated by the tool based on information provided by the participant. The following reports can provide a summary of one's financial goals and current position:

- Retirement Planning
- Asset Allocation
- Insurance Planning
- Education Planning
- Budgeting

The tool's reports provide a snapshot of one's current financial position and can help the participant to focus on their financial resources and goals and create a potential plan of action. All reports are general in nature and do not offer any specific investment, legal and/or tax advice. The financial planning service is meant to provide information for educational purposes. AFA is not providing investment advice in the financial planning service. Financial Planning services may be offered on their own, or through Alight Financial Path.

[Alight Financial Path](#)

Alight Financial Path (AFP) is a financial wellbeing product. AFP offers online support and resources for every stage of your financial journey. Phone support is also available from AFA. Key resources included in AFP:

- Financial Health Assessment – understand your current financial health and receive personalized top actions. It takes about 3 minutes to complete, and you can retake it anytime.
- Financial Planning Tool – comprehensive financial planning software for you to set and track your financial goals. You can connect your bank accounts, debt and savings in one place to see your full financial picture and explore what-if scenarios to see how you can best reach your goals.
- Financial Education Center – online financial resources library to help you understand financial terms and concepts.
- Partner Solutions – to help with specific goals, solutions are available to help you deal with and plan for emergencies, monitor your credit, manage student debt and plan for future educational costs. (Emergency savings and credit monitoring available through Kashable; student debt management, college savings support and emergency savings accounts available through SoFi).

#### Smart Savings Planner

The goal of the Smart Savings Planner tool is to provide participants with a set of personalized suggestions through a digital experience for foundational needs based on a budget.

- Utilizes analytics to make suggestions based on a personalized budget
- Incorporates personal priorities and life goals
- Applies suggestions immediately; minimizes need to make changes on several websites

## **12. Financial Education**

Certain of AFA's associated individuals occasionally conduct group seminars and/or one-on-one meetings with participants, which are designed specifically to provide general financial education. These meetings cover various topics such as creating a budget, answering questions on retirement plans in general, saving for retirement and other personal finance related topics. In general, the education topics are requested by plan sponsors based upon feedback the plan sponsor receives from their participants. All meetings are general in nature and do not offer any specific investment, legal and/or tax advice.

## **13. Brokerage Practices**

In our capacity as an investment adviser for Workplace Retirement Solutions, we do not determine the brokerage firm to be utilized by our retirement plan clients, nor the managers of the investment funds they select. For the Alight IRA offering, Apex Clearing Corporation is the introducing brokerage firm, as well as the custodian. AFA cannot operationally support the usage of any other brokerage firm in order to deliver the Alight IRA Managed Account Services.

“Soft dollar” arrangements are those in which brokerage commissions are utilized to pay for services or other benefits the adviser would have to pay for itself (example, investment research). With soft dollar arrangements, the adviser may have an incentive to select or recommend a broker-dealer based on the adviser's interest in receiving the research or other services, rather than the adviser's



clients' interest in receiving the most favorable execution. We do not have any soft-dollar arrangements and do not receive any soft-dollar benefits.

## 14. Review of Accounts

### Workplace Retirement Solutions

Our Online Advice service allows our clients to review their accounts on demand at their own initiative. While Online Advice clients also have the ability to generate their own reports as frequently as they choose, such reports are not generated or sent to them on a periodic (or other) basis by AFA. **It is the responsibility of our clients to review and update their accounts in Online Advice to adjust for changes in the investments they own. Our clients should also review and update their accounts should significant changes occur in their personal circumstances.** We may from time to time provide e-mail notifications to clients who elect to receive such messages, concerning changes in the value of their investments, chances of reaching their retirement goals, or other Online Advice account-related information.

For participants enrolled in Professional Management, we generally conduct account reviews monthly through use of FEA's processes. The account review process begins with an automated analysis of the account, which generates a retirement plan and proposed adjustments, if applicable to the allocation target. FEA's Portfolio Management team compares the proposed allocation target with the current portfolio and previous activity to detect variances in certain factors (such as turnover and concentrations) and determines whether transactions are desirable in the current period. Variances outside of predetermined tolerances may prompt additional review and adjustments by the Portfolio Management team, which are then communicated to us for implementing changes. Additional review may also be triggered by market events or information provided by clients related to assets held in outside accounts that may impact the management of the plan account(s). Certain changes to investment preferences, such as risk level, retirement age, or limitations regarding company stock, can also trigger additional review. FEA's Portfolio Management team conducts these reviews under the supervision of FEA's Investment Committee.

Clients enrolled in Professional Management will receive printed or electronic quarterly Retirement Updates, which generally include information concerning account holdings and balances.

### The Alight IRA

An Investor's asset allocation and glidepath is automatically reviewed at regular intervals by AFA. For example, each year on the birthday of an Investor, as well as quarterly anniversary of the Investor's birth date. AFA may automatically update its Advice and guidance (based upon information known about the Investor, such as advancement in age, marital status, account balances, level of contributions, retirement spending needs, information received from third-party linked accounts of the Investor and AFA's financial, economic and market assumptions.) These updates may result in a change in the Investor's asset allocations or glidepath. Likewise, AFA monitors the Investor's asset allocations on a daily basis, rebalances the account when it deems the portfolio is out of tolerance

with its model asset allocation parameters, and makes adjustments to portfolio holdings when necessary.

## **15. Client Referrals and Other Compensation**

Our primary source of business is through a client hiring Alight Solutions for plan administration services and requesting our services as an additional service. Employees of Alight Solutions involved in the selling and/or marketing of benefit administration services may receive compensation associated with sales of services that include the inclusion of AFA's services. No party outside the Alight organization receives any compensation associated with such sales.

AFA may receive cash compensation when a participant of one of our plan clients enrolls in Edelman Financial Engine's Personal Advisor service. All such fees paid to AFA are disclosed to individuals who enrollment in the Personal Advisor service.

## **16. Custody**

We do not have actual custody of client accounts.

## **17. Investment Discretion**

### **Workplace Retirement Solutions**

As detailed in Section 2, AFA exercises investment discretion over accounts enrolled in the Professional Management program. AFA does not exercise any investment discretion outside of the activities detailed in Professional Management.

AFA accepts discretionary authority to manage assets on behalf of clients who enter into an agreement for any of AFA's investment advice or management services except Online Advice, as described above. Clients who utilize the Online Advice service are responsible for executing their own transactions. A client's acceptance of the Professional Management Terms and Conditions or the applicable advisory agreement for other services grants AFA discretionary authority over the client's account. Clients may provide additional information to AFA concerning:

- investment preferences.
- risk tolerance.
- other assets; and
- desired retirement age.

Discretionary trading authority permits AFA to make trades in client accounts on their behalf, so that we may promptly implement the investment plan that we created for clients and make ongoing changes as we believe appropriate. Those changes may include periodic rebalancing of asset classes when one or more asset classes have significantly increased or decreased in value.

If applicable, Professional Management clients may communicate to AFA a desired allocation for the stock of the plan sponsor that may be held in the workplace retirement account, subject to the program's management parameters and processes. Where available, and subject to FEA's investment methodology, Professional Management clients may place short-term (12 months) limitations on a single asset class in their account. Clients have the option to renew the limitation for an additional 12 months.

Consistent with its fiduciary duties, AFA's policy is to exercise high levels of care and prudence in making and implementing investment decisions for client accounts. FEA typically employs validation tests and operational, oversight, and quality control procedures. However, AFA relies on a significant amount of data from multiple sources and cannot guarantee that all relevant data are free from error. **Certain data are regularly presented to Professional Management members who are responsible for informing AFA of any inaccuracies on a timely basis.**

## The Alight IRA

AFA accepts discretionary authority to manage Alight IRA accounts on behalf of Investors. Investors for which AFA has investment discretion are required to sign an investment advisory agreement that authorizes AFA to supervise and direct the investment and reinvestment of assets in the Alight IRA managed account, with discretion on the investor's behalf and at the Investor's risk. AFA's discretionary authority is limited by the terms of its investment advisory agreements and the investment guidelines agreed between AFA and each Investor. The investment guidelines or other account documents generally include any limitations an Investor may place on AFA's discretionary authority, including any reasonable restrictions on the securities and other financial instruments in which AFA is authorized to invest for the Investor's Alight IRA account.

## 18. Voting Client Securities

We do not vote proxies on behalf of our clients.

## 19. Financial Information

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

Alight Financial Advisors has not been the subject of a bankruptcy petition at any time during the past ten years.

Part 2B of Form ADV: Firm Brochure Supplement

**ALIGHT FINANCIAL ADVISORS, LLC**

**SEC File No. 801-72679**

**CRD No. 158744**

**9335 Harris Corners Parkway**

**Suite 150**

**Charlotte, NC 28269**

**Phone - (866) 560-7256 for Professional Management and Online Advice Services**

**Phone – (866) 415-3383 for The Alight IRA**

**Fax - (847) 554-1444**

This brochure provides information about the sub-advisor of Alight Financial Advisors, LLC (AFA) that supplements the AFA brochure (ADV Part 2A). You should have received a copy of the brochure. Please contact AFA at (866) 560-7256 if you did not receive AFA's brochure or if you have any questions about the contents of this supplement. . If you would like the most recent version of this supplement, please contact us at the above phone number or address, or by visiting us on the Internet at [AlightFinancialAdvisors.com](http://AlightFinancialAdvisors.com), or email at [advisorinfo@alight.com](mailto:advisorinfo@alight.com) for Professional Management and Online Advice Services. For the Alight IRA please visit [AlightFS.com](http://AlightFS.com) or by contacting us via email at [Alightfscustomerservice@alight.com](mailto:Alightfscustomerservice@alight.com) .

The information in this Brochure Supplement has not been approved or verified by the SEC or by any state securities authority.

Additional information about our firm and/or the advisors listed within this supplement is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## 1. EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

### *Individuals Who Determine General Investment Advice*

AFA has hired Financial Engines Advisors L.L.C. (FEA) to provide sub-advisory services for Online Advice and the Professional Management program. AFA is a federally registered investment advisor and wholly owned subsidiary of Alight Solutions, LLC. FEA, a federally registered investment advisor is an independent company that is not affiliated with Alight Solutions LLC or AFA. The Investment Committee at FEA has responsibility for the oversight of advisory and investment management services, including the application of Edelman Financial Engines' proprietary investment methodology that generates its advice recommendations and portfolio management. The Investment Committee meets regularly (typically weekly) to review and approve methodology and parameter updates, investment policies, new service and client communications designs, and ongoing monitoring of portfolio allocations. The Investment Committee is comprised exclusively of Edelman Financial Engines employees with a broad range of experience and expertise. Most clients of the Investment Committee have long tenure with Edelman Financial Engines and the majority has been integrally involved in the development of the advisory platform for many years.

### **FEA's Investment Committee:**

#### **Wei Yin Hu (1967)**

A.B. Economics, Stanford University  
Ph.D. Economics, Stanford University  
Mr. Hu is a Vice President, Investment Research and Strategy

#### **Robert L. Young (1966)**

A.B. Economics, Georgetown University  
M.B.A., Stanford Graduate School of Business  
Mr. Young is Director of Portfolio Management

#### **Neil Gilfedder (1971)**

B.A. Philosophy, Economics, University of York  
M.A. Economics, Stanford University  
Mr. Gilfedder is Chief Investment Officer and Chairman

**Patricia Wang (1971)**

B.A. Industrial Engineering and Economics, Stanford University  
Ms. Wang is Vice President, Portfolio Strategy and Development

**Brian Lipps (1974)**

B.S. English, Radford University  
M.B.A., University of Southern California  
Mr. Lipps is Regional Director, Financial Planning

**Ismail Ceylan**

B.S. Industrial Engineering, Bilkent University  
M.S. Industrial Engineering and Operations Research, University of California, Berkeley  
Ph.D. Industrial Engineering and Operations Research, University of California, Berkeley  
Mr. Ceylan is Director, Financial Research

**AFA's Executive Representatives:****Jeremy J. Fritz (1976)**

B.A. Finance, University of Toledo  
Mr. Fritz is the Chief Executive Officer of AFA

**Matthew Chotkowski (1977)**

B.S. Business Administration, University of Vermont  
Mr. Chotkowski is the Chief Compliance Officer of AFA

**2. DISCIPLINARY INFORMATION, OTHER BUSINESS ACTIVITIES, ADDITIONAL COMPENSATION**

There is no disciplinary information, other business activities or additional compensation to report for each of the above persons.

**3. SUPERVISION**

The Investment Committee at FEA has overall responsibility for the oversight of advisory and investment management services, including the application of Financial Engines' proprietary investment methodology that generates its advice recommendations and portfolio management. AFA performs due diligence and oversight of FEA's policies and procedures as they relate to AFA's advisory services. AFA also conducts reviews to assure that the management of the account is consistent with the methodology of the FEA services and that the investment supervisory and advisory services are prudent from a fiduciary perspective. For additional information, you may contact AFA at (866) 560-7256.