

Montealegre Finanzas LLC

Firm Brochure - Form ADV Part 2A

This brochure provides information about the qualifications and business practices of Montealegre Finanzas LLC. If you have any questions about the contents of this brochure, please contact us at (310) 467-7199 or by email at: oscarmonte80@hotmail.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Montealegre Finanzas LLC is also available on the SEC's website at www.adviserinfo.sec.gov. Montealegre Finanzas LLC's CRD number is: 163435

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Registration does not imply a certain level of skill or training.

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Item 2: Material Changes

There are no material changes in this brochure from the last annual updating amendment of Montealegre Finanzas LLC on 12/16/2022.

Material changes relate to Montealegre Finanzas LLC's policies, practices or conflicts of interests only.

Item 3: Table of Contents

Table of Contents

Item 1: Table of Contents	
Item 2: Material Changes.....	i
Item 3: Table of Contents.....	ii
Item 4: Advisory Business	1
A. Description of the Advisory Firm	1
B. Types of Advisory Services	1
Investment Supervisory Services	1
Subscription Fees	1
Services Limited to Specific Types of Investments	2
C. Client Tailored Services and Client Imposed Restrictions.....	2
D. Wrap Fee Programs.....	2
E. Amounts Under Management	2
Item 5: Fees and Compensation.....	3
A. Fee Schedule.....	3
Investment Supervisory Services Fees.....	3
Subscription Fees	3
B. Payment of Fees.....	3
Payment of Investment Supervisory Fees.....	3
Payment of Subscription Fees.....	4
C. Clients Are Responsible For Third Party Fees.....	4
D. Prepayment of Fees	4
E. Outside Compensation For the Sale of Securities to Clients.....	4
Item 6: Performance-Based Fees and Side-By-Side Management	4
Item 7: Types of Clients	5
Minimum Account Size	5
Item 8: Methods of Analysis, Investment Strategies, and Risk of Investment Loss.....	5
A. Methods of Analysis and Investment Strategies	5
Methods of Analysis.....	5

Fundamental analysis	5
Cyclical analysis.....	5
Investment Strategies	5
B. Material Risks Involved	5
Methods of Analysis.....	5
Fundamental analysis	5
Cyclical analysis.....	5
Investment Strategies	6
C. Risks of Specific Securities Utilized.....	6
Item 9: Disciplinary Information	7
A. Criminal or Civil Actions	7
B. Administrative Proceedings	7
C. Self-regulatory Organization (SRO) Proceedings.....	7
Item 10: Other Financial Industry Activities and Affiliations.....	7
A. Registration as a Broker/Dealer or Broker/Dealer Representative	7
B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor	7
C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests	7
D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections	8
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	8
A. Code of Ethics.....	8
B. Recommendations Involving Material Financial Interests	8
C. Investing Personal Money in the Same Securities as Clients.....	8
D. Trading Securities At/ Around the Same Time as Clients' Securities	9
Item 12: Brokerage Practices	9
A. Factors Used to Select Custodians and/or Broker/Dealers.....	9
1. Research and Other Soft-Dollar Benefits.....	9
2. Brokerage for Client Referrals	9
3. Clients Directing Which Broker/Dealer/Custodian to Use.....	9
B. Aggregating (Block) Trading for Multiple Client Accounts	10

Item 13: Reviews of Accounts	10
A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews	10
B. Factors That Will Trigger a Non-Periodic Review of Client Accounts.....	10
C. Content and Frequency of Regular Reports Provided to Clients.....	10
Item 14: Client Referrals and Other Compensation.....	10
A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes).....	10
B. Compensation to Non – Advisory Personnel for Client Referrals.....	11
Item 15: Custody	11
Item 16: Investment Discretion.....	11
Item 17: Voting Client Securities (Proxy Voting)	11
Item 18: Financial Information.....	12
A. Balance Sheet	12
B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients.....	12
C. Bankruptcy Petitions in Previous Ten Years	12
Item 19: Requirements For State Registered Advisers	12
A. Principal Executive Officers and Management Persons; Their Formal Education and Business Background	12
B. Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any)	12
C. How Performance Based Fees are Calculated and Degree of Risk to Clients	12
D. Material Disciplinary Disclosures for Management Persons of this Firm	13
E. Material Relationships That Management Persons Have With Issuers of Securities (If Any).....	13

Item 4: Advisory Business

A. Description of the Advisory Firm

Montealegre Finanzas LLC is a Limited Liability Company organized in the state of California.

This firm has been in business since April 19, 2012, and the principal owner is Oscar Montealegre.

B. Types of Advisory Services

Montealegre Finanzas LLC (hereinafter “MF”) offers the following services to advisory clients:

Investment Supervisory Services

MF offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. MF creates an Investment Policy Statement for each client, which outlines the client’s current situation (income, tax levels, and risk tolerance levels) and then constructs a plan (the Investment Policy Statement) to aid in the selection of a portfolio that matches each client’s specific situation. Investment Supervisory Services include, but are not limited to, the following:

- | | |
|-----------------------|--------------------------------|
| • Investment strategy | • Personal investment policy |
| • Asset allocation | • Asset selection |
| • Risk tolerance | • Regular portfolio monitoring |

MF evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. MF will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

Subscription Fees

MF offers a subscription service, “Montealegre Global,” that costs \$50 per month, due in advance for monthly newsletters services. The information disseminated will focus on the state of Latin America ADRs and ETFs. The newsletter will adopt a macro perspective, concentrating on the following factors: (a) Latin American central banking strategy, (b) Fiscal and monetary policy (Latin America), (c) Currency movements, (d) Foreign Direct Investment in the Latin American region, (e) Import/Export trends with Latin America, (f) Capital accounts, (g) Latin American stock market performance and relations to local

Form ADV 2A Version: 03/07/22

portfolios. MF will draw an analysis vis-à-vis to client portfolios. MF will make recommendations and forecasts on potential buys, sells, and holds on respective ADRs and ETFs.

Services Limited to Specific Types of Investments

MF generally limits its money management to mutual funds, equities, bonds, fixed income, ETFs, and REITs. MF may use other securities as well to help diversify a portfolio when applicable.

C. Client Tailored Services and Client Imposed Restrictions

MF offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients may not impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

D. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. MF DOES NOT participate in any wrap fee programs.

E. Amounts Under Management

MF currently has no assets under management.

Item 5: Fees and Compensation

A. Fee Schedule

Investment Supervisory Services Fees

Total Assets Under Management	Annual Fee
\$1 - \$50,000	2.00%
Above \$50,000	1.50%

These fees are negotiable depending upon the needs of the client and complexity of the situation, and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Fees are paid monthly in advance, and clients may terminate their contracts with thirty days' written notice.

Refunds are given on a prorated basis, based on the number of days remaining in a month at the point of termination. Fees that are collected in advance will be refunded based on the prorated amount of work completed up to the day of termination within the month terminated. The fee refunded will be the balance of the fees collected in advance minus the daily rate* times the number of days in the month up to and including the day of termination. (*The daily rate is calculated by dividing the monthly AUM fee by the number of days in the termination month). Clients may terminate their contracts without penalty, for full refund, within 5 business days of signing the advisory contract.

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Lower fees for comparable services may be available from other sources.

Subscription Fees

MF offers a subscription service, "Montealegre Global," that costs \$50 per month, due in advance for monthly newsletters services. The information disseminated will focus on the state of Latin America ADRs and ETFs. The Newsletters will be provided via postal mail or electronic mail and may be cancelled by giving 30 days written notice. Any fees collected, but unearned, will be refunded by MF at the time of cancellation. Client may terminate the Agreement within five (5) business days of signing, without penalty, and with full refund.

B. Payment of Fees

Payment of Investment Supervisory Fees

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid monthly in advance. Advisory fees may also be invoiced and

billed directly to the client monthly in advance. Clients may select the method in which they are billed.

Payment of Subscription Fees

Subscription fees are paid in advance via check or credit card.

C. Clients Are Responsible For Third Party Fees

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by MF. Please see Item 12 of this brochure regarding broker/custodian.

D. Prepayment of Fees

MF collects fees in advance. Fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination and the total days during the billing period. Fees will be returned within fourteen days to the client via mailed check or return to credit card.

The fee refunded will be the balance of the fees collected in advance minus the daily rate* times the number of days in the month up to and including the day of termination. (*The daily rate is calculated by dividing the monthly AUM fee by the number of days in the termination month).

E. Outside Compensation For the Sale of Securities to Clients

Neither MF nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.

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

MF does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7: Types of Clients

MF generally provides management supervisory services to the following types of clients:

- ❖ Individuals

Minimum Account Size

There is no account minimum.

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

A. Methods of Analysis and Investment Strategies

Methods of Analysis

MF's methods of analysis include fundamental analysis and cyclical analysis.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Cyclical analysis involved the analysis of business cycles to find favorable conditions for buying and/or selling a security.

Investment Strategies

MF uses long term trading and short term trading.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

B. Material Risks Involved

Methods of Analysis

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Cyclical analysis assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold : 1) the markets do not always repeat cyclical patterns and 2) if too many investors begin to implement this strategy, it changes the very cycles they are trying to take advantage of.

Investment Strategies

Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

C. Risks of Specific Securities Utilized

MF generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets.

Mutual Funds: Investing in mutual funds carries the risk of capital loss. Mutual funds are not guaranteed or insured by the FDIC or any other government agency. You can lose money investing in mutual funds. All mutual funds have costs that lower investment returns. They can be of bond “fixed income” nature (lower risk) or stock “equity” nature (mentioned above).

Equity investment generally refers to buying shares of stocks by an individual or firms in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss.

Treasury Inflation Protected/Inflation Linked Bonds: The Risk of default on these bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal.

Fixed Income is an investment that guarantees fixed periodic payments in the future that may involve economic risks such as inflationary risk, interest rate risk, default risk, repayment of principal risk, etc.

Stocks & Exchange Traded Funds (ETF): Investing in stocks & ETF's carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Investments in these securities are not guaranteed or insured by the FDIC or any other government agency.

REITs have specific risks including valuation due to cash flows, dividends paid in stock rather than cash, and the payment of debt resulting in dilution of shares.

Precious Metal ETFs (Gold, Silver, Palladium Bullion backed “electronic shares” not physical metal): Investing in precious metal ETFs carries the risk of capital loss.

Long term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various other types of risk that will typically surface at various intervals during the time the client owns the

Form ADV 2A Version: 03/07/22

investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Short term trading risks include liquidity, economic stability and inflation.

Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9: Disciplinary Information

A. Criminal or Civil Actions

There are no criminal or civil actions to report.

B. Administrative Proceedings

There are no administrative proceedings to report.

C. Self-regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

Neither MF nor its representatives are registered as or have pending applications to become a broker/dealer or as representatives of a broker/dealer.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither MF nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

Neither MF nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

All material conflicts of interest under Section 260.238 (k) of the California Corporations Code are disclosed regarding the investment adviser, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.

D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections

MF does not utilize nor select other advisers or third party managers. All assets are managed by MF management.

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

A. Code of Ethics

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Our Code of Ethics is available free upon request to any client or prospective client.

B. Recommendations Involving Material Financial Interests

MF does not recommend that clients buy or sell any security in which a related person to MF or MF has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of MF may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of MF to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. MF will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

D. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of MF may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of MF to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. MF will always transact client's transactions before its own when similar securities are being bought or sold.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

The Custodian, TD Ameritrade, Inc. (CRD # 7870), was chosen based on their relatively low transaction fees and access to mutual funds and ETFs. MF will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodian.

1. Research and Other Soft-Dollar Benefits

MF receives research, products, or other services from its broker/dealer or another third-party in connection with client securities transactions ("soft dollar benefits"). There is no minimum client number or dollar number that MF must meet in order to receive free research from the custodian or broker/dealer. There is no incentive for MF to direct clients to this particular broker-dealer over other broker-dealers who offer the same services. However, because this firm does not have to produce or pay for services or products it has an incentive to choose a custodian that provides those services based on its interests rather than the clients' interests. The first consideration when recommending broker/dealers to clients is best execution. MF always acts in the best interest of the client. Clients should be aware that MF's acceptance of soft dollar benefits may result in higher commissions charged to the client.

2. Brokerage for Client Referrals

MF receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. Clients Directing Which Broker/Dealer/Custodian to Use

MF will not allow clients to direct MF to use a specific broker-dealer to execute transactions. Clients must use MF recommended custodian (broker-dealer).

B. Aggregating (Block) Trading for Multiple Client Accounts

MF maintains the ability to block trade purchases across accounts. Block trading may benefit a large group of clients by providing MF the ability to purchase larger blocks resulting in smaller transaction costs to the client. Declining to block trade can cause more expensive trades for clients.

Item 13: Reviews of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

Client accounts are reviewed at least quarterly only by Oscar Montealegre, Managing Member. Oscar Montealegre is the chief advisor and is instructed to review clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at MF are assigned to this reviewer.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

C. Content and Frequency of Regular Reports Provided to Clients

Each client will receive at least quarterly from the custodian, a written report that details the client's account including assets held and asset value which will come from the custodian.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

MF does not receive any economic benefit, directly or indirectly from any third party for advice rendered to MF clients.

B. Compensation to Non – Advisory Personnel for Client Referrals

MF does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

Item 15: Custody

MF, with client written authority, has limited custody of client's assets through direct fee deduction of MF's Fees only. If the client chooses to be billed directly by TD Ameritrade, Inc. (CRD # 7870), MF would have constructive custody over that account and must have written authorization from the client to do so. Clients will receive all required account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

When advisory fees are deducted directly from client accounts at client's custodian, MF will be deemed to have limited custody of client's assets. Because client fees will be withdrawn directly from client accounts, in states that require it, MF will:

- (A) Possess written authorization from the client to deduct advisory fees from an account held by a qualified custodian.
- (B) Send the qualified custodian written notice of the amount of the fee to be deducted from the client's account and verify that the qualified custodian sends invoices to the client.
- (C) Send the client a written invoice itemizing the fee upon or prior to fee deduction, including the formula used to calculate the fee, the time period covered by the fee and the amount of assets under management on which the fee was based.

Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy. Clients are urged to compare the account statements they received from custodian with those they received from MF.

Item 16: Investment Discretion

MF does not have discretion over client accounts at any time.

Item 17: Voting Client Securities (Proxy Voting)

MF will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

Item 18: Financial Information

A. Balance Sheet

MF does not require nor solicit prepayment of more than \$500 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither MF nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

MF has not been the subject of a bankruptcy petition in the last ten years.

Item 19: Requirements For State Registered Advisers

A. Principal Executive Officers and Management Persons; Their Formal Education and Business Background

MF currently has only one management person/executive officer; Oscar Montealegre. Oscar Montealegre's education and business background can be found on the Supplemental ADV Part 2B form.

B. Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any)

Oscar Montealegre's other business activities can be found on the Supplemental ADV Part 2B form.

C. How Performance Based Fees are Calculated and Degree of Risk to Clients

MF does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

D. Material Disciplinary Disclosures for Management Persons of this Firm

No management person at MF or MF has been involved in an arbitration claim or been found liable in a civil, self-regulatory organization, or administrative proceeding that is material to the client's evaluation of the firm or its management.

E. Material Relationships That Management Persons Have With Issuers of Securities (If Any)

Neither MF, nor its management persons, has any relationship or arrangement with issuers of securities.