



ALASKA WEALTH ADVISORS

October 14, 2024

REGISTERED INVESTMENT ADVISER (RIA)

3800 Centerpoint Drive, Suite 910 Anchorage, AK 99503 [www.apcm.net](http://www.apcm.net)

This brochure provides information about the qualifications and business practices of Alaska Wealth Advisors. If you have any questions about the contents of this brochure, please contact us at (907) 272-7575. 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. Registration designation does not imply skill or training.

Additional information about Alaska Wealth Advisors is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



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#### Summary of Material Changes

We are discussing only material changes since the last annual amendment of our brochure, which was dated March 28, 2024.

Brokerage Practices: Updated to disclose arrangement with a third party platform.

**Advisory Business** Alaska Permanent Capital Management (APCM) is an investment adviser who has been providing investment advice in Alaska since 1992. Alaska Wealth Advisors, a subsidiary of APCM, is a registered investment adviser that began operations in 2014. Alaska Wealth Advisors provides financial planning and investment management primarily for individuals and institutions whose investment goals can be met with investments in a mix of stock and bond index funds, or actively managed fixed income portfolios. Private placements may be offered to qualified clients of Alaska Wealth Advisors through transactions that are exempt from registration under the Securities Act of 1933 pursuant to Rule 506(b) of Regulation D promulgated thereunder. We are majority owned by APCM with minority positions held by LGB Strategies

LLC, owned by Laura Bruce, and Teach LLC, owned by APCM and LGB Strategies LLC, respectively. APCM is majority owned by Evan Rose, Chairman and CEO, and Fran Rose, Trustee for the Dave Rose Estate. We have no 3rd party affiliations. Our only income is the fee income earned from our clients.

Although Alaska Wealth Advisors may recommend a particular model to a client, an exact model replication may not be achieved due to the unique circumstances of each client. Alaska Wealth Advisors personnel will direct and initiate trading activity of client accounts, and APCM personnel will execute the trades. Except for actively managed fixed income accounts, APCM will not independently place trades on behalf of Alaska Wealth Advisors clients.

Alaska Wealth Advisors' advisory business may also include providing financial planning services to clients on a fee for service basis. This service includes reviewing a client's financial circumstances and making recommendations to help a client achieve their financial goals. Financial planning is generally included with Alaska Wealth Advisors' investment management services, but may also be provided to other clients for whom we do not provide investment management services.

As of December 31, 2023, we managed \$874,935,474 million in discretionary assets under management.

In general, the financial plan can address any or all of the following areas:

- **PERSONAL:** We review financial records, budgeting, personal liability, estate information and financial goals.
- **TAX & CASH FLOW:** We analyze the client's income tax and spending for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.
- **INSURANCE:** We review existing policies to ensure adequate coverage for life, health, disability, long-term care, liability, home and automobile.
- **RETIREMENT:** We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- **DEATH & DISABILITY:** We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- **ESTATE:** In conjunction with legal counsel retained by the client, we assist the client in assessing and developing long-term strategies



We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, return objectives and attitudes towards risk. We carefully review documents supplied by the client and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, and insurance agent. Implementation of financial plan recommendations is entirely at the client's discretion.

### Fees and Compensation

All of our revenues are earned from our clients. Although the majority of our revenue is based on account value for assets we manage, some clients may select an additional service such as financial planning or financial consulting. An additional fee will apply to private placements that are offered to qualified clients. We do not have any revenue sharing arrangements with any 3rd party organizations nor any performance based fees. Clients generally pay their fees from their account. Fees are calculated monthly in arrears, based on the end of month market value. Certain legacy holdings may be excluded, which would be listed in the client's advisory agreement. For certain annuities, fees are calculated quarterly in arrears, based upon the average daily Contract value. The account value used to calculate advisory fees may differ from the value reported on the statement provided by the custodian. Fees for services are billed when the service is performed. Terminated clients will pay a pro-rata fee through the date Alaska Wealth Advisors services ended, and a refund will be given for any advance payment of fees collected covering periods after Alaska Wealth Advisors services end.

Fees are negotiable depending on size of the account and other considerations that may result in economies of scale. Account fees range from 1.5% of assets under management and below. Alaska Wealth Advisors will not provide investment management services on these securities, but such securities may be considered by Alaska Wealth Advisors personnel as part of the overall client portfolio. Clients will inform Alaska Wealth Advisors personnel of the nature and timing of any transactions related to these securities held at the request of the client.

Other fees clients may incur include custodian fees and other transaction costs. For more information, please see Brokerage Practices.

All fees paid to Alaska Wealth Advisors for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus and will generally include a management fee and other fund expenses. Certain funds held at the request of the client may also impose sales charges where a client may pay an initial or deferred sales charge. The client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided. As our primary goal is to help our clients achieve their financial goals, our selected funds and ETFs have very low expense and Alaska Wealth Advisors does not receive any remuneration from such holdings.

Effective April 1, 2014, APCM entered into a service agreement with Alaska Wealth Advisors to provide investment research, investment model development, trading execution, client reporting, and certain other back-office services. APCM will earn revenue as a percentage of Alaska Wealth Advisors revenue for these services.

### Performance-Based Fees and Side-By-Side Management

All accounts are managed with the best interest of each client as the guide. Client accounts are treated fairly and no client is favored over another. We do not have any performance-based fees. While infrequent, side-by-side management are addressed in our trade allocation policies.

### Types of Clients

Our clients include both institutions and individuals (IRAs, after-tax savings accounts, educational plans, HSAs and trusts.) In general, our minimum account size is \$500,000.

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

We provide two general types of account management: 1) fixed income only accounts, and 2) multi-asset accounts with equity exposure. The following describes the analysis and

strategy for each of those accounts types as well as the material risks involved.

**Fixed Income Accounts:** Individual fixed income securities may be held for certain Alaska Wealth Advisors accounts that are of sufficient size to warrant this investment approach. Under these circumstances, APCM Investment Personnel will develop fixed income investment strategies to meet client objectives. Key portfolio risk factors such as duration, sector exposure and credit quality are measured and controlled using quantitative techniques. Fundamental credit and structure analysis is performed on individual securities before purchasing for a portfolio. APCM Investment personnel will identify and select the securities to be held in such accounts. We believe a long term perspective and conservative approach are the best ways to add value to our clients.

**Multi-asset Accounts:** Our multi-asset account investment strategies are developed by APCM with the aid of sophisticated software and modeling programs to achieve an efficient portfolio. Such a portfolio is one that provides the highest expected return given an acceptable level of risk as indicated by the client. APCM uses inputs on market conditions, projected economic climate, and over 150 years of the firm's combined investment experience to develop different strategies with varying amounts of equity. The process results in an array of models each with varying degrees of asset class exposure that can be selected to meet a client's investment goals and risk tolerance. Securities chosen to represent asset class exposure are mainly index funds that are evaluated based on tracking error to the benchmark, internal fund expenses, fund



management, and liquidity. A risk of an asset allocation strategy is that the client may not participate in sharp increases in a particular asset class.

Securities purchased may include, but are not limited to: US Treasuries, US TIPS, government-sponsored enterprises, sovereigns, corporate and municipal debt securities, mutual funds, exchange traded funds, asset backed securities, CDs, commercial paper, and mortgage backed securities. A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers

of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the fund or ETF less suitable to the client's portfolio. As with any investment, investing in securities involves risk of loss that clients should be prepared to bear.

We purchase securities with the idea of holding them in a client account for a year or longer. We may do this because we believe the securities to be currently undervalued. We may do this because we want exposure to a particular asset class over time, regardless of the current projection for this class. A risk in a long-term purchase strategy is that, by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, a security may decline sharply in value before we make the decision to sell.

Alaska Wealth Advisors and APCM only provide continual research and give opinions on our approved securities. We do not offer advice regarding individual equity securities.

### Disciplinary History

Alaska Wealth Advisors has been a registered investment adviser with the SEC since August 2014. None of the owners or employees of Alaska Wealth Advisors has a record of disciplinary history.

### Other Financial Industry Activities and Affiliations

We are a privately held firm. Our only affiliate is as a subsidiary of APCM, an adviser whose primary service is advisory services to institutional investors. Our practice is to make every investment decision in the best interest of the client.

Alaska Wealth Advisors participates in the Schwab Advisor Network and Wealthramp. This is more fully described in the section Client Referrals and Other Compensation.

### Code of Ethics Summary and Offer of Delivery to Clients

As an SEC-registered adviser and pursuant to SEC rule 204A-1, we have a Code of Ethics that governs employee conduct. A copy is available to anyone upon request.

**Code of Ethics Summary:** In essence, we are fiduciaries to our clients and our employees are expected to act in the best interests of our clients at all times. Employees are required to disclose any potential conflicts of interest that could compromise this duty and such conflicts must be resolved in favor of the client(s). Furthermore, the Code of Ethics covers additional areas such as protecting confidential information, restricting participation in business interests that create conflicts of interest, and limiting gifts to a de minimis amount. Our employees must report their investment holdings annually and all their investment transactions quarterly. In addition, employees must obtain preclearance prior to trading on

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security that is on our Restricted List. After the Alaska Wealth Advisors Determines a Suitable Investment model for a client and develops the trading activity to achieve the selected model, APCM trading personnel execute the trades as instructed by Alaska Wealth Advisor.

The APCM Code of Ethics requires employees to maximize client portfolio value by seeking best execution for all client transactions. In addition, APCM traders must ensure fair and equitable trade allocation among client accounts.

In addition to trade execution, APCM provides client reporting and reconciliation services to Alaska Wealth Advisors. Investing in Securities Recommended to Clients: Our investment strategy includes identifying securities that may represent a potential for gain or, in the case of asset allocation accounts, identifying certain index funds that have low internal expenses while also providing exposure to desired asset classes. When appropriate Private Placements are offered to qualified clients. Our employees may also invest in these securities. As part of our personal trading policy, no preference is allowed for employee trades, and each employee is required to report all trading activity to the Chief Compliance Officer on a quarterly basis.

## Retirement Plan Rollovers - No Obligation/Conflict of Interest

A client or prospective client leaving an employer has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If Alaska Wealth Advisors recommends that a client roll over their retirement plan assets into an account to be managed by Alaska Wealth Advisors, such a recommendation creates a conflict of interest if Alaska Wealth Advisors will earn new (or increases its current) compensation as a result of the rollover. No client is under any obligation to roll over retirement plan assets to an account managed by Alaska Wealth Advisors.

## Brokerage Practices

As an investment advisory firm, we have a fiduciary duty to transact trades in the manner that is best for our clients. Our Best Execution policy seeks to obtain the best overall trade execution in terms of both quantitative and qualitative considerations, although best price is the primary consideration. On an annual basis, we examine the relationships with broker/dealers who execute significant amounts of trades for us. Broker/dealers are also assessed based on their ability to complete trades in a timely and accurate manner, respond during volatile markets, and account for trade errors.

**Trade Aggregation:** Trades may be aggregated if it is beneficial to clients. Allocation procedures are fair and equitable to all clients with no particular group or client favored or disfavored over any other clients. The firm's defined benefit plans and its employees in their personal accounts may participate in trades that are aggregated with client trades. In the event of a partial fill, trades within the firm's defined benefit plans and its employees' personal accounts will participate in a pro rata allocation along with all other participating accounts. We prohibit any allocation of trades in a manner where the firm's defined benefit plan accounts, the firm's employees in their personal accounts, affiliated accounts, or any particular client(s) or group of clients receive more favorable treatment than other client accounts.

**Cross Transactions:** The firm's policy and practice is to not engage in any agency or principal cross transactions. However, the firm may, at its discretion, arrange with a broker to perform a 'cross trade' wherein a security held by one account is transferred to another client account at fair value. Such a transaction may be determined to be in the best interests of both clients due to a portfolio strategy decision, investment policy constraints or client liquidity needs. The firm will determine a fair value at which the transaction is effected and minimize the broker transaction costs associated with a cross trade. All clients that are affected by a cross transaction will be promptly informed.

Alaska Wealth Advisors recommends that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. ("Schwab"), a FINRA registered broker-dealer and SIPC member, to maintain custody of clients' assets and to effect trades for their accounts. Although we suggest that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. Alaska Wealth Advisors is independently owned and operated and not affiliated with Schwab. Alaska Wealth Advisors has evaluated Schwab and believes that it will provide our clients with a blend of execution services, commission costs and professionalism that will assist our firm to meet our fiduciary obligations to clients.

Schwab provides Alaska Wealth Advisors with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab Institutional. These services are not contingent upon our firm committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher

minimum initial investment.

For accounts of Alaska Wealth Advisors's clients maintained in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from Alaska Wealth Advisors's clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealer's fees. Thus, Alaska Wealth Advisors has an incentive to cause trades to be executed through Schwab rather than another broker-dealer. Alaska Wealth Advisors nevertheless acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for Alaska Wealth Advisors's other clients. Thus, trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

Schwab Institutional also makes available to our firm other products and services that benefit Alaska Wealth Advisors but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or a substantial number of our client accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist us in managing and administering our clients' accounts include software and other technology that:

- provide access to client account data (such as trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide research, pricing and other market data;
- facilitate payment of our fees from clients' accounts; and

assist with back-office functions, recordkeeping and client reporting. Schwab Institutional also offers other services intended to help us manage and further develop our business enterprise. These services may include:

- compliance, legal and business consulting;
- publications and conferences on practice management and business succession; and

access to employee benefits providers, human capital consultants and insurance providers. Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to Alaska Wealth Advisors. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to our firm. Schwab

Institutional may also provide other benefits such as educational events or occasional business entertainment of our personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which create a potential conflict of interest.

We reserve the right to decline acceptance of any client account for which the client directs the use of a broker other than Schwab if we believe that this choice would hinder our fiduciary duty to the client and/or our ability to service the account. In directing the use of Schwab (or any other broker), it should be understood that Alaska Wealth Advisors will not have authority to negotiate commissions or to necessarily obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to the client and those charged to other clients (who may direct the use of another broker other than Schwab). Clients should note, while Alaska Wealth Advisors has a reasonable belief that Schwab is able to obtain best execution and competitive prices, our firm will not be independently seeking best execution price capability through other brokers.

We use a third party platform to facilitate management of held away assets such as defined contribution plan participant accounts, with discretion. The platform allows us to avoid being considered to have custody of Client funds since we do not have direct access to Client log-in credentials to affect trades. We are not affiliated with the platform in any way and receive no compensation from them for using their platform. A link will be provided to the Client allowing them to connect an account(s) to the platform. Once Client account(s) is connected to the platform, Alaska Wealth Advisor's will review the current account allocations. When deemed necessary, Alaska Wealth Advisor's will rebalance the account considering client investment goals and risk tolerance, and any change in allocations will consider current economic and market trends. The goal is to improve account performance over time, minimize loss during difficult markets, and manage internal fees that harm account performance. Client account(s) will be reviewed at least quarterly and allocation changes will be made as deemed necessary.

## Review of Accounts

In order to provide maximum value to our clients, we have regular reviews of all accounts. The Alaska Wealth Advisors Advisor reviews account activity on a regular basis, and rebalances accounts on a quarterly basis as needed. The Advisor works with APCM investment personnel to implement the appropriate investment strategy developed as detailed in Methods of Analysis, Investment Strategies and Risk of Loss. Once implemented, the Alaska Wealth Advisors Advisor reviews the holdings and allocations of accounts on a quarterly basis with necessary adjustments made as needed.

## Client Referrals and Other Compensation

1) Alaska Wealth Advisors receives client referrals from Charles Schwab & Co., Inc. ("Schwab") through Alaska Wealth Advisors's participation in Schwab Advisor Network® ("the Service"). The Service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with Alaska Wealth Advisors and does not supervise Alaska Wealth Advisors and has no responsibility for Alaska Wealth Advisors's management of clients' portfolios or other advice or services. Alaska Wealth Advisors pays Schwab fees to receive client referrals through the Service. Alaska Wealth Advisors's participation in the Service raise potential conflicts of interest as described below.

Alaska Wealth Advisors pays Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by Alaska Wealth Advisors is a percentage of the fees the client owes to Alaska Wealth Advisors or a percentage of the value of the assets in the client's account, subject to a minimum Participation Fee. Alaska Wealth Advisors pays Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab. The Participation Fee is billed to Alaska Wealth Advisors quarterly and may be increased, decreased or waived by Schwab from time to time. The Participation Fee is paid by Alaska Wealth Advisors and not by the client. Alaska Wealth Advisors has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs Alaska Wealth Advisors charges clients with similar portfolios who were not referred through the Service.

Alaska Wealth Advisors generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from Schwab. This Fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees Advisor generally would pay in a single year. Thus, Alaska Wealth Advisors will have an incentive to recommend that client accounts be held in custody at Schwab.

The Participation and Non-Schwab Custody Fees will be based on assets in accounts of Alaska Wealth Advisors's clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, Alaska Wealth Advisors will have incentives to encourage householdmembers of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit Alaska Wealth Advisors's fees directly from the accounts.

- 2) Alaska Wealth Advisors receives client referrals from Wealthramp, Inc. who receives compensation from Alaska Wealth Advisors for such services for the duration that referrals are clients of Alaska Wealth Advisors. Wealthramp, Inc. is a registered investment adviser with the SEC.
- 3) The White Coat Investor is not a client of Alaska Wealth Advisors and is being compensated for listing our firm on their website. According to an agreement with The White Coat Investor, Alaska Wealth Advisors pays The White Coat Investor for the website listing.

## Custody

Pursuant to SEC guidance on the Custody Rule, Alaska Wealth Advisors is deemed to have custody of client assets for clients who have Standing Letters of Authorization ("SLOA") arrangements in place with their custodian allowing Alaska Wealth Advisors to direct transfers of client assets to a third party at the client's request. In these situations, the SEC has provided advisors with certain conditions that, if met, would allow advisors to forego the annual surprise exam requirement of the Custody Rule. Alaska Wealth Advisors will document compliance with these conditions.

We do not take physical custody of client assets. With specific client approval, we may deduct fees directly from client accounts. Clients are responsible for selecting their own custodian. We recommend that clients compare the account statements received by the custodian to the statement we prepare for them.

## Investment Discretion

We have investment discretion on the assets we manage. We accept investment discretion upon the execution of client contract documents granting this authority. Clients may impose reasonable restrictions on the management of their accounts.

## Voting Client Securities

As a matter of policy and as a fiduciary to our clients, we vote proxies for portfolio securities consistent with the best economic interests of the clients. We vote proxies for debt instruments and, with some exceptions, exchange-traded funds and mutual funds. We do not vote proxies for individual equities held at the client's direction. Individual equities are held in a client's account as an accommodation to the client. Fees may be calculated on such securities because they are included in the overall management strategy, but they are not an appropriate focus for research by Alaska Wealth Advisors or APCM. Clients are notified that we do not vote these proxies. Our policy and practice includes the responsibility to monitor corporate actions, receive and vote client proxies, disclose any potential conflicts of interest, and make information related to proxies available to clients. The term proxy as used here also includes corporate actions and tender offers for debt instruments.

### Financial Information

As a privately held firm who does not have custody of client assets, Alaska Wealth Advisors is not required to undergo an audit of our financial statements. We do not require clients to pay fees that are (a) greater than \$1,200 and (b) billed six months or more in advance.

Additionally, we must disclose any financial condition that could impair our ability to meet our contractual obligations to our clients. We also must disclose if we have been the subject of any bankruptcy proceedings within the last 10 years. We have no financial matters to disclose, and we have never been the subject of any bankruptcy proceeding