

Cover Page - Item 1



**Align Investments**

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**May 5, 2020**

**Form ADV Part 2A Brochure**

This brochure provides information about the qualifications and business practices of SevenOneSeven Capital Management, LTD, doing business as Align Investments. If you have any questions about the contents of this brochure, please contact us at (844) 717-0717 or [info@alignmyfinances.com](mailto:info@alignmyfinances.com). Align Investments is a registered investment adviser. Registration with the SEC or any state securities authority does not imply a certain level of skill or training. 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 Align Investments is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Material Changes - Item 2**

The purpose of this page is to inform you of any material changes since the previous version of this brochure. On March 30, 2020, we submitted our annual updating amendment for fiscal year 2019. We had no material changes to report.

If you would like to receive a complete copy of our current brochure free of charge at any time, please contact us at (844) 717-0717 or [info@sevenonesevencapital.com](mailto:info@sevenonesevencapital.com).

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#### **Advisory Business - Item 4**

##### **Introduction**

Align Investments is a registered investment advisor based in Lancaster, Pennsylvania. We are a limited liability company, organized under the laws of the Commonwealth of Pennsylvania. We have been providing investment advisory services since 2019. Bernard Bostwick and Adrian Young are the managing members and co-owners of Align Investments.

You may see the term Associated Person throughout this Brochure. As used in this Brochure, this term refers to anyone from our firm who is an officer, employee, and all individuals providing investment advice on behalf of our firm. Where required, such persons are properly registered as investment adviser representatives.

##### **Internet Based Advisory Services**

Align Investments provides discretionary portfolio management services in conjunction with RobustWealth, Inc., doing business as ADVRW. ADVRW is an unaffiliated SEC registered investment adviser that has developed an online investment platform called RobustWealth. ADVRW makes the RobustWealth platform available to Align Investments Clients through a sub-advisory agreement with our firm. All services are offered through our firm's website at [www.alignmyfinances.com](http://www.alignmyfinances.com).

At the inception of service, Client investment objectives and risk tolerance are determined via an online questionnaire. Based on the responses provided by the Client, the Client receives a system generated score. Scores are mapped to recommended portfolios based on Align Investments configuration of model & goal mapping. Align Investments allows Clients to adjust risk tolerance scores and override the Questionnaire score in the Client Dashboard. Clients may add reasonable investment restrictions, including, among other things, constraints on their portfolios. Align Investments has developed a number of model portfolios primarily using equity securities, exchange traded funds (ETFs), mutual funds and bonds. Our model portfolios are designed to address client risk tolerance levels and management styles, and range from conservative to aggressive strategies. Trades are executed by ADVRW on a discretionary basis. Discretionary portfolio management means that investment decisions are transactions are implemented without contacting you. These decisions would be made based upon your stated goals and investment objectives.

##### ***Wrap Fee Programs***

Align is not the sponsor or manager of a wrap fee program. However, Clients can select a wrap program option when investing through the RobustWealth platform.

At the inception of services and when required by pertinent regulations, Clients receive a copy of ADVRW's Form ADV Part 2 Brochure. Clients will receive a copy of ADVRW's Form ADV Part 2A Brochure or a copy of the Form ADV Part 2A, Appendix 1, Wrap Brochure. Clients are urged to review this document in detail to familiarize themselves with important disclosures regarding ADVRW's services, the RobustWealth platform, associated fees and conflicts of interest, among others.

##### **Assets Under Management**

As of December 31, 2019, we manage \$33,326,753 in client assets on a discretionary basis, and \$0 in client assets on a non-discretionary basis.

#### **Fees and Compensation - Item 5**

Align Investments charges a maximum annual fee of 1.75% of the assets under management. Fees are payable monthly or quarterly, in advance or in arrears, and are based on the value of assets on the last day of the relevant pay period. Where the fee is payable in advance, fees will be pro-rated for the first partial month or quarter. Fees are negotiable depending on factors such as the amount of assets under management, range of investments, and complexity of the client's financial circumstances, among others. Our portfolio management fee includes a 0.15% fee payable to ADVRW for services rendered through the RobustWealth platform. The agreed upon fee to be paid by the client will be clearly stated in an Advisory Agreement signed by the client and the firm.

Generally, the custodian holding the client's account will deduct Align Investments' fees and any other custodial fees directly from a designated account to facilitate billing, provided the client has given written authorization. The qualified custodian will send an account statement at least quarterly. This statement will detail all account activity. Fees are usually deducted from a single designated client account to facilitate billing. In limited circumstances, at the sole discretion of Align Investments, we may negotiate other fee payment arrangements.

Our annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which will be incurred by the client. However, we will not receive any portion of the commissions, fees, and costs charged by broker dealers and custodians for accounts managed by Align Investments. Please see Item 12 – Brokerage Practices for further information on brokerage and transaction costs.

You may terminate the portfolio management services agreement upon 30-days' written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the Advisory Agreement, which means you will incur advisory fees only in proportion to the number of days in the pay period for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

#### **Additional Fees and Expenses**

The fees Align Investments charges are negotiable based on the amount of assets under management, complexity of client goals and objectives, and level of services rendered. As described above, the fees are charged as described and are not based on a share of capital gains of the funds of any advisory client.

All fees paid to Align Investments for investment advisory services are separate and distinct from the fees and expenses charged to shareholders by mutual funds or exchange traded funds. These fees and expenses are described in each fund's prospectus. These fees generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, you may pay an initial or deferred sales charge.

You could invest in a mutual fund directly, without the services of Align Investments. In which case, you would not receive the services provided by Align Investments, which are designed, among other things, to assist you in determining which mutual fund or funds are most appropriate to your financial condition and objectives. Accordingly, you should review both the fees charged by the funds and the fees charged by Align Investments to fully understand the total amount of fees to be paid by you to evaluate the advisory services being provided.

We do not represent, warrant, or imply that the services or methods of analysis employed by us can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections

or declines.

#### **Compensation for the Sale of Insurance Products**

Certain Executive officers and other Associated Persons of Align Investments are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. **Clients of our firm are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.**

#### **Compensation for the Sale of Securities**

Certain Executive Officers and other Associated Persons of Align Investments are registered representatives with American Portfolios Financial Services, Inc. ("American Portfolios"), a registered broker dealer and a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). In their capacity as registered representatives, these persons will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by these persons, in their capacities as registered representatives, is separate from our advisory fees. This practice presents a conflict of interest, because persons providing investment advice on behalf of our firm who are registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. **You have the option to purchase investment products that we recommend through other brokers or agents that are not affiliated with our firm.**

#### **Important Information about Mutual Fund Share Classes**

Mutual funds generally offer multiple share classes based upon certain eligibility and/or purchase requirements. For instance, in addition to retail share classes (typically referred to as class A, class B and class C shares), mutual funds may also offer institutional share classes or other share classes that are specifically designed for purchase by investors who meet certain specified eligibility criteria, including, for example, whether an account meets certain minimum dollar amount thresholds or is enrolled in an eligible fee-based investment advisory program.

Institutional share classes usually have a lower expense ratio than other share classes. Our firm and our Associated Persons have a financial incentive to recommend or select share classes that have higher expense ratios, because such share classes generally result in higher compensation. We have taken steps to address this conflict of interest, including providing our Associated Persons with training and guidance on this issue, as well as by conducting periodic reviews of client holdings in mutual fund investments to ensure the appropriateness of mutual fund share class selections and whether alternative mutual fund share class selections are available that might be more appropriate given the client's particular investment objectives and any other appropriate considerations relevant to mutual fund share class selection.

Certain money market funds and other mutual funds in which clients invest make payments to our Associated Persons pursuant to a Rule 12(b)-1 distribution plan or other arrangement as compensation for distribution, shareholder services, recordkeeping, or administrative services. These payments are generally paid from the fund's total assets and can be paid by a fund's adviser or distributor. The Rule 12(b)-1 distribution plan and other fee arrangements are disclosed in each fund's registration statement.

Mutual funds are not part of Align Investments' core investment strategy. However, in limited circumstances, where appropriate based on client circumstances, the firm will select institutional shares only.

Retail share classes that transfer into client accounts are periodically converted to the institutional share class where available. If an institutional share class is not available, the client can elect to sell the position or hold the asset outside the managed portfolio. Unmanaged assets are not included in the fee calculation.

Please contact us for more information about share class eligibility. Further information regarding fees and charges assessed by a mutual fund is available in each mutual fund's prospectus. Although we use our best efforts to purchase lower cost mutual fund shares when available, some mutual fund companies do not offer institutional classes or funds that do not pay 12b-1 distribution fees.

**Executive Officers and Associated Persons of Align Investments will either not accept commissions or will credit the advisory account for any commissions or 12(b)-1 fees received by them for securities transactions in advisory accounts managed by Align Investments. The value of any clients' holding in investment companies for which Align Investments acts as sub-adviser will not be included in the calculation for such clients' advisory fees.**

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

Performance-based fees are based on a share of capital gains on or capital appreciation of the client's assets. We do not accept performance-based fees.

#### Types of Clients - Item 7

We do not require a minimum dollar amount to open and maintain an advisory account; however, we have the right to terminate your Account if it falls below a minimum size, which, in our sole opinion, is too small to effectively manage.

#### Methods of Analysis, Investment Strategies and Risk of Loss - Item 8

Align Investments advisors will use various methods to determine an appropriate investment strategy. We seek to recommend investment strategies or products that will give you a diversified portfolio consistent with your investment objective. We do this by analyzing the various products, investment strategies, and money management firms to which we provide access. That analysis includes a review of the structure, cost, and investment performance history of each program.

We may use one or more of the following methods of analysis and/or investment strategies when providing investment advice to you:

- Fundamental Analysis – Involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and

expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The primary risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

- **Technical Analysis** – Technical analysis is a technique that relies on the assumption that current market data (such as charts of price, volume, and open interest) can help predict future market trends, at least in the short term. It assumes that market psychology influences trading and can predict when stocks will rise or fall. Technical trading models are mathematically driven based upon historical data and trends of domestic and foreign market trading activity, including various industry and sector trading statistics within such markets. Technical trading models, through mathematical algorithms, attempt to identify when markets are likely to increase or decrease and identify appropriate entry and exit points. The primary risk of technical trading models is that historical trends and past performance cannot predict future trends, and there is no assurance that the mathematical algorithms employed are designed properly, updated with new data, and can accurately predict future market, industry, and sector performance.
- **Charting** – Charting is the set of techniques used in technical analysis in which charts are used to plot price movements, volume, settlement prices, open interest, and other indicators, in order to anticipate future price movements. Users of these techniques, called chartists, believe that past trends in these indicators can be used to extrapolate future trends.
- **Cyclical Analysis** – Cyclical analysis is similar to technical analysis in that it involves the analysis of market conditions at a macro (entire market/economy) or micro (company specific) level, rather than the overall fundamental analysis of the health of the particular company. The primary risks with cyclical analysis are similar to those of technical analysis.

We may use one or more of the following investment strategies when advising you on investments:

- **Long-Term Purchases** – Securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year. Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.
- **Short-Term Purchases** – Securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations. Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.



- **Trading** - Trading involves purchasing securities with the idea of selling them relatively quickly. We may use this strategy to take advantage of our predictions of brief price swings. A trading strategy creates the potential for sudden losses if the anticipated price swing does not materialize, and could result in having a long-term investment in a security that was designed to be a short-term purchase, or the potential of a loss. We do not anticipate using a frequent trading strategy. However, in the event we recommend this strategy for a particular client, they should understand that higher rates of portfolio turnover would likely result in an increase in the account's broker-dealer costs. High portfolio turnover may also result in the realization of net capital gains, and any distributions derived from such gains may be ordinary income for federal tax purposes.
- **Margin Transactions** - We may use a margin account offered by the custodian to borrow sufficient funds to purchase a security for your account. This typically happens if sufficient cash is not available in the account to purchase the security and it is not advantageous to sell other investments. The use of margin carries risks that you should understand. We do not expect to use significant amounts of margin or other leverage in our strategies. However, certain types of transactions may or must be executed through a "margin account" (e.g., short sales). In volatile markets, security prices can fall very quickly. If the net value of your account (less the amount you owe the broker-dealer/custodian) falls below a certain level, the broker-dealer will issue a "margin call" and you will be required to sell the security (and other positions) or add more cash to the account. You could lose more money than you originally invested. Additionally, you must pay interest on the margin balance you owe to the broker-dealer until it is repaid in full. The amount of margin interest will diminish your profits and in some cases could cause net losses in your account.
- **Option Writing** – An option is the right either to buy or sell a specified amount or value of a particular underlying investment instrument at a fixed price (i.e., the "exercise price") by exercising the option before its specified expiration date. Options giving you the right to buy are called "call" options. Options giving you the right to sell are called "put" options. When trading options on behalf of a client, we generally use covered options. Covered options involve options trading when you own the underlying instrument on which the option is based. Investments in options contracts have the risk of losing value in a relatively short period of time. Option contracts are leveraged instruments that allow the holder of a single contract to control many shares of an underlying stock. This leverage can compound gains or losses.

**Investing in securities involves risk of loss that Clients should be prepared to bear.**

The investment advice provided along with the strategies suggested by Align Investments will vary depending on each client's specific financial situation and goals. This brief statement does not disclose all of the risks and other significant aspects of investing in financial markets. In light of the risks, you should fully understand the nature of the contractual relationship(s) into which you are entering and the extent of your exposure to risk. Certain investing strategies may not be suitable for many members of the public. You should carefully consider whether the strategies employed would be appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.

**Recommendation of Particular Types of Securities:** As disclosed under the "Advisory Business" section in this Brochure, we provide advice on various types of securities and we do not necessarily recommend one particular

type of security over another since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

**General Investment Risk:** All investments come with the risk of losing money. Investing involves substantial risks, including complete possible loss of principal plus other losses and may not be suitable for many members of the public. Investments, unlike savings and checking accounts at a bank, are not insured by the government to protect against market losses. Different market instruments carry different types and degrees of risk and you should familiarize yourself with the risks involved in the particular market instruments in which you intend to invest.

**Loss of Value:** There can be no assurance that a specific investment will achieve its investment objectives and past performance should not be seen as a guide to future returns. The value of investments and the income derived may fall as well as rise and investors may not recoup the original amount invested. Investments may also be affected by any changes in exchange control regulation, tax laws, withholding taxes, international, political and economic developments, and governmental economic or monetary policies.

**Interest Rate Risk:** Fixed income securities and funds that invest in bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, and their prices fall when interest rates rise. Longer-term debt securities are usually more sensitive to interest rate changes.

**Credit Risk:** Investments in bonds and other fixed income securities are subject to the risk that the issuer(s) may not make required interest payments. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult to sell. Funds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

**Foreign Exchange Risk:** Foreign investments may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rates. Changes in currency exchange rates may influence the share value, the dividends or interest earned and the gains and losses realized. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation, and other economic and political conditions. If the currency in which a security is denominated appreciates against the US Dollar, the value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security.

**Risks Associated with Investing in Equities:** Investments in equities 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.

**Risks Associated with Investing in Mutual Funds:** Mutual funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market,

primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (e.g., equities) rather than balancing the fund with different types of securities. The returns on mutual funds can be reduced by the costs to manage the funds. In addition, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, other types of mutual funds do charge such fees which can also reduce returns.

**Risks Associated with Investing in Exchange Traded Funds (ETF):** Investing in stocks & ETFs 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.

**Risks Associated with Investing in Options:** Transactions in options carry a high degree of risk. A relatively small market movement will have a proportionately larger impact, which may work for or against the investor. The placing of certain orders, which are intended to limit losses to certain amounts, may not be effective because market conditions may make it impossible to execute such orders. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

**Algorithmic Trading –** Align Investments relies on computer models, data inputs and assumptions in generating trade orders or recommendations (as applicable). Statistical investing models, such as those used by ADVRW, rely on back-tested information, and, thus, may not operate as expected or intended when events having few or no historical antecedents occur, and, accordingly, may generate losses another manager could have been able to avoid. Likewise use of algorithms may result in a recommendation of a portfolio that may be more aggressive or more conservative than necessary or incorrectly trigger or fail to initiate rebalancing. Changes to algorithmic code may materially affect a Client's portfolio and may not have the desired effect over time with respect to the clients accounts.

**Cybersecurity Risks –** Align Investments, ADVRW and its service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from cyber-attacks and hacking by other computer users, and to avoid the resulting damage and disruption of hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. In general, cyber-attacks are deliberate, however, unintentional events may have similar effects. Cyber-attacks may cause losses to Clients by interfering with the processing of transactions, affecting the ability to calculate net asset value or impeding or sabotaging trading. Clients may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, and the dissemination of confidential and proprietary information. Any such breach could expose our firm and ADVRW to civil liability as well as regulatory inquiry and/or action. In addition, Clients could be exposed to additional losses as a result of unauthorized use of their personal information. While ADVRW, in its capacity as a vendor for our firm has established business continuity plans, incident response plans and systems designed to prevent cyber-attacks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. Similar types of cyber security risks also are present for issuers of securities in which we invest, which could result in material adverse consequences for such issuers and may cause a Client's investment in such securities to lose value.

**Technology Risk** – Align Investments depends heavily on information technology, telecommunication and other operational systems. These systems may fail to operate properly or become disabled because of events for circumstances beyond our control. In this event it may be possible that access to the system will be limited.

#### Disciplinary Information - Item 9

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or of the integrity of our management. Neither we nor our management persons have a history of material legal or disciplinary events.

#### Other Financial Industry Activities or Affiliations - Item 10

Certain Executive officers and other Associated Persons of Align Investments are registered representatives with American Portfolios Financial Services, Inc. ("American Portfolios"), a registered broker dealer and investment adviser, and a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). In their capacity as registered representatives, these persons will receive commission-based compensation in connection with the purchase and sale of securities, including 12(b)-1 fees for the sale of investment company products. Compensation earned by these persons in their capacities as registered representatives, is separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. **You have the option to purchase investment products that we recommend through other brokers or agents that are not affiliated with our firm.**

**Executive Officers and Associated Persons of Align Investments will either not accept commissions or will credit the advisory account for any commissions or 12(b)-1 fees received by them for securities transactions in advisory accounts managed by Align Investments. The value of any clients' holding in investment companies for which Align Investments acts as sub-adviser will not be included in the calculation for such clients' advisory fees.**

Certain Executive officers and other Associated Persons of Align Investments are also investment adviser representatives with American Portfolios. Such persons are eligible to earn advisory fees in their capacities as investment adviser representatives of American Portfolios; therefore, they could have a financial incentive to recommend the advisory services of American Portfolios. The firm expects that certain clients to whom it offers advisory services will also receive advisory services from American Portfolios. Clients are instructed that the fees paid to our firm for advisory services are separate and distinct from advisory/management fees earned by American Portfolios. Clients are informed that they are under no obligation to utilize any services offered by American Portfolios or persons associated with our firm who are also investment adviser representatives of American Portfolios.

Our firm is affiliated with Ambassador Advisors, LLC ("Ambassador") through common control and ownership. Certain owners, executive officers and other Associated Persons of Align Investments are also investment adviser

representatives with Ambassador. Such persons are eligible to earn advisory fees in their capacities as owners, executive officer, and/or investment adviser representatives; therefore, they could have a financial incentive to recommend the advisory services of Ambassador. The firm expects that certain clients to whom it offers advisory services will also receive advisory services from Ambassador. Clients are instructed that the fees paid to our firm for advisory services are separate and distinct from advisory/management fees earned by Ambassador. Clients are informed that they are under no obligation to utilize any services offered by Ambassador or persons associated with our firm who are also associated with Ambassador.

Certain Executive officers and other Associated Persons of Align Investments are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate from our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. **You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.**

#### **Code of Ethics, Participation or Interest in Client Transactions and Personal Trading - Item 11**

##### **Description of Our Code of Ethics**

Align Investments has adopted a Code of Ethics (the "Code") to address investment advisory conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes Align Investments' policies and procedures developed to protect client's interests in relation to the following topics:

- The duty at all times to place the interests of clients first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the code of ethics.
- The responsibility to avoid any actual or potential conflict of interest or misuse of an employee's position of trust and responsibility;
- The fiduciary principle that information concerning the identity of security holdings and financial circumstances of clients is confidential; and
- The principle that independence in the investment decision-making process is paramount.

A copy of Align Investments' Code of Ethics is available upon request to our firm at (844) 717-0717 or [info@sevenonesevencapital.com](mailto:info@sevenonesevencapital.com).

##### **Participation or Interest in Client Transactions**

Where we serve as a sub-adviser to registered investment companies ("Funds") and where appropriate, we will exercise our discretionary authority and without further approval from you, we will invest a percentage of your assets in such Funds. The fees we charge are separate and in addition to any fees and expenses charged by such Funds. You should refer to the prospectus for a complete description of the fees, investment objectives, risks and other relevant information associated with investing in such Funds. Refer to the Investment Discretion section below for additional disclosures on our discretionary authority to manage your investment account. Securities held in separate accounts may also be the same securities as those purchased by such Funds.

The values of your holdings in such Funds are not included in the calculation of the advisory fee you pay to our firm. Except as otherwise required by law for ERISA assets, we do not offset any compensation we receive against fees and expenses you may otherwise pay to our firm, including any compensation we receive as an investment adviser to such Funds.

Individuals associated with our firm may buy or sell - for their personal account(s) - securities identical to those purchased by such Funds. This practice creates a conflict of interest because we have the ability to trade ahead of such Funds and potentially receive more favorable prices than such Funds will receive. To eliminate this conflict of interest, it is our policy that persons associated with our firm or our firm shall not have priority over such Funds or any client transactions in the purchase or sale of securities. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that persons associated with our firm or our firm shall not have priority over such Funds or any client transactions in the purchase or sale of securities.

#### **Personal Trading Practices**

At times, Align Investments and/or its related persons may take positions in the same securities as clients, which may pose a conflict of interest with clients. Align Investments and its related persons will generally be “last in” and “last out” for the trading day when trading occurs in close proximity to client trades. We will not violate our fiduciary responsibilities to our clients. Front running (trading shortly ahead of clients) is prohibited. Should a conflict occur because of materiality (e.g., a thinly traded stock), disclosure will be made to the client(s) at the time of trading. Incidental trading not deemed to be a conflict (e.g., a purchase or sale which is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price) would not be disclosed at the time of trading.

#### **Brokerage Practices - Item 12**

We recommend the brokerage and custodial services of several unaffiliated securities broker-dealers. All recommended companies are unaffiliated, qualified custodians and are registered securities broker-dealers and members of the Financial Industry Regulatory Authority and/or the Securities Investor Protection Corporation. We believe that recommended broker-dealers/custodians provide quality execution services for you at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by recommended broker-dealers/custodians, including the value of research provided, the company’s reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of research services and additional brokerage products and services recommended broker-dealers/custodians provide, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

#### **Research and Other Soft Dollar Benefits**

Although not considered “soft dollar” compensation, Align Investments will receive benefits from its broker-dealers and custodians for research services that may include reports, software, and institutional trading support.

Align Investments understands its duty for best execution and considers all factors in recommending a specific broker-dealer and/or custodian to clients. These research services may be useful in servicing all clients, and may

not be used in connection with any particular account that may have paid compensation to the firm providing such services. Although Align Investments may not always obtain the lowest commission rate, the firm believes the rate is reasonable in relation to the value of the brokerage and research services provided.

**Brokerage for Client Referrals**

We do not receive client referrals from custodians or broker-dealers in which we have an institutional advisory arrangement. Also, we do not receive other benefits from custodians or broker-dealers in exchange for client referrals.

**Directed Brokerage**

We routinely suggest that you direct our firm to execute transactions through a firm with which we have a business relationship. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require their clients to direct brokerage.

Persons providing investment advice on behalf of our firm who are registered representatives of American Portfolios will recommend American Portfolios to you for brokerage services. These individuals are subject to applicable rules that restrict them from conducting securities transactions away from American Portfolios unless American Portfolios provides the representative with written authorization to do so. Therefore, these individuals are generally limited to conducting securities transactions through American Portfolios. It may be the case that American Portfolios charges higher transactions costs and/or custodial fees than another broker charges for the same types of services. If transactions are executed through American Portfolios, these individuals (in their separate capacities as registered representatives of American Portfolios) may earn commission-based compensation as a result of placing the recommended securities transactions through American Portfolios. This practice presents a conflict of interest because these registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. You may utilize the broker-dealer of your choice and have no obligation to purchase or sell securities through such broker as we recommend. However, if you do not use American Portfolios, we may not be able to accept your account. Please see the "Fees and Compensation" section in this Brochure for more information on the compensation received by registered representatives who are affiliated with our firm.

**Trade Aggregation/Block Trading**

Although individual client advice is provided to each account, client trades can be executed as a block trade. The executing broker will be informed that the trades are for the account of Align Investments' Clients and not for Align Investments itself. No advisory account within the block trade will be favored over any other advisory account, and thus, each account will participate in an aggregated order at the average share price and receive the same commission rate. The aggregation should, on average, reduce slightly the costs of execution. We will not aggregate a client's order if in a particular instance we believe that aggregation would cause the client's cost of execution to be increased. The broker dealer will be notified of the amount of each trade for each account. Align Investments and/or its Associated Persons may participate in block trades with clients, and may also participate on a pro rata basis for partial fills, but only after the determination has been made that clients will receive fair and equitable treatment.

#### Review of Accounts - Item 13

##### **Portfolio Management Account Reviews**

Align Investments monitors account holdings on a continuous basis and conducts formal account reviews at least annually. Accounts are reviewed by our portfolio manager, Patrick Lafferty.

Portfolio models are reviewed and, if needed, rebalanced based on decisions made at Align Investments' investment committee's monthly meeting.

Additional reviews may be offered in certain circumstances. Triggering factors that may stimulate additional reviews include, but are not limited to, changes in economic conditions, changes in the client's financial situation or investment objectives, or upon client request.

Clients will receive statements directly from their account custodian(s) on at least a quarterly basis. Align Investments may also provide performance reports on an as needed basis.

#### Client Referrals and Other Compensation - Item 14

As disclosed above in Item 12, Align Investments has brokerage and clearing arrangements with Schwab and the firm receives additional benefits from these entities in the form of electronic delivery of client information, electronic trading platforms, institutional trading support, proprietary and/or third-party research, continuing education, practice management advice, and other services provided by custodians for the benefit of investment advisory clients.

##### **Other Compensation**

See Item 5 and Item 10 of this Form ADV Part 2 disclosure brochure for information regarding additional compensation for the sale of insurance and securities products and/or advisory services offered through affiliated and non-affiliated firms.

##### **Compensation for Client Referrals**

Non-employee (outside) consultants, individuals, and/or entities, who are directly responsible for bringing a client to Align Investments, may receive compensation from the firm. Such arrangements will comply with the requirements set forth in Rule 206(4)-3 of the Investment Advisers Act of 1940, including the requirement that the relationship between the solicitor and the investment adviser be disclosed to the client at the time of the solicitation or referral. In addition, all applicable state laws will be observed. Under these arrangements, the client does not pay higher fees than Align Investments' normal/typical advisory fees.

#### Custody - Item 15

Align Investments is deemed to have custody of client funds, because of the fee deduction authority granted by the client in the Advisory Agreement.



You will receive account statements at least quarterly from the broker-dealer or other qualified custodian. The custodian will not verify the calculation of the advisory fees. You are urged to review custodial account statements for accuracy.

#### Investment Discretion - Item 16

Align Investments offers Portfolio Management Services on a discretionary basis. Clients must grant discretionary authority in the management agreement. Discretionary authority extends to the types and amounts of securities to be bought and sold in client accounts. Apart from the ability to withdraw management fees, Align Investments does not have the ability to withdraw funds or securities from the client's account. The client provides Align Investments discretionary authority via a limited power of attorney in the management agreement and in the contract between the client and the custodian.

Clients whose assets are invested in model portfolios may not set restrictions on the specific holdings or allocations within the model, nor the types of securities that can be purchased in the model. For assets held outside the model portfolios, you can limit our discretionary authority or you may request specific transactions by providing our firm with your restrictions, guidelines, or instructions. If you wish, you may limit our discretionary authority, for example, by setting a limit on the type of securities that can be purchased for your account. Simply provide us with your restrictions or guidelines in writing. Please refer to the "Advisory Business" section in this Brochure for more information on our discretionary management services.

If you have engaged us for non-discretionary portfolio management services, Align Investments will obtain your approval prior to executing all transactions in your account(s).

#### Voting Client Securities - Item 17

Align Investments does not vote proxies. It is the client's responsibility to vote proxies. Clients will receive proxy materials directly from the custodian. Questions about proxies may be made via the contact information on the cover page.

#### Financial Information - Item 18

We are required in this Item to provide you with certain financial information or disclosures about Align Investments', financial condition. Align Investments does not require the prepayment of over \$1,200, six or more months in advance. Additionally, Align Investments has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and it has not been the subject of a bankruptcy proceeding.

#### Requirements of State-Registered Advisers - Item 19

**This section is not applicable, because our firm is SEC registered.**

Miscellaneous

**Confidentiality**

Align Investments views protecting its customers' private information as a top priority and, pursuant to the requirements of the Gramm-Leach-Bliley Act, it has instituted policies and procedures to ensure that customer information is kept private and secure. Align Investments does not disclose any nonpublic personal information about its customers or former customers to any nonaffiliated third parties, except as permitted by law. In the course of servicing a client account, Align Investments may share some information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, and lawyers.

Align Investments restricts internal access to nonpublic personal information about its clients to those employees who need to know that information in order to provide products or services to the client. Align Investments maintains physical and procedural safeguards that comply with state and federal standards to guard a client's nonpublic personal information and ensure its integrity and confidentiality. As emphasized above, it has always been and will always be Align Investments' policy never to sell information about current or former customers or their accounts to anyone. It is also Align Investments' policy not to share information, unless required to process a transaction, at the request of the client, or as required by law.

A copy of Align Investments' privacy policy notice will be provided to each client prior to, or contemporaneously with, the execution of the agreement(s) for services. Thereafter, Align Investments will deliver a copy of the current privacy policy notice to its clients upon any material changes to its privacy policies and practices. If you have any questions regarding your privacy, please contact our firm at (844) 717-0717 or [info@sevenonesevendcapital.com](mailto:info@sevenonesevendcapital.com).