

Form ADV Part 2A**ALIGNED INVESTING FIRM BROCHURE**

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November 18, 2021

This Brochure provides information about the qualifications and business practices of Aligned Investing, LLC ("Aligned Investing"). If you have any questions about the contents of this brochure, please contact us at [support@alignedinvesting.co](mailto:support@alignedinvesting.co). 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 as an investment adviser does not imply a certain level of skill or training.

Additional information about Aligned Investing, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 317061.

## Material Changes

As this is the initial filing of this brochure, we have no material changes to report.

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## Advisory Business

Aligned Investing is a registered investment adviser based in Oakland, California. We are organized as a limited liability company under the laws of the State of Delaware and are wholly owned by Robert Aikins. Mr. Aikins is the Chief Executive Officer of the firm. Aligned Investing has been providing investment advisory services since it became registered as an investment adviser with the SEC in 2021.

We offer discretionary portfolio management services exclusively through our [website](#) and mobile application (i.e., automated or “robo” advice). We use a proprietary algorithm to manage client accounts that generates recommended portfolios. Your account is invested and rebalanced by the algorithm according to your needs, investment objectives, and tolerance for risk.

We require that you complete a comprehensive questionnaire that will provide us with all necessary and appropriate data for use in the algorithm to generate the recommended portfolio.

Our discretionary portfolio management service requires you to grant Aligned Investing discretionary authority to manage your account, which means we have the authority and responsibility to formulate investment strategies on your behalf. Discretionary authority will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without obtaining your approval prior to each transaction. We will also have discretion over the broker-dealer to be used for securities transactions in your account.

Aligned Investing’s portfolio management service is different from the traditional investment advisory relationship:

- Aligned Investing is an internet-based investment adviser, which means each client must acknowledge their ability and willingness to conduct a relationship with our firm on an electronic basis. We do not have personnel available to elaborate or expand upon the investment advice provided through our website.
- To provide our investment advisory service and tailor our investment decisions to your specific needs, we collect information from you, such as your age, financial situation, investment experience, and investment objectives. When

recommending and selecting a portfolio, we rely on the information we receive from you. You must promptly notify us of any change in your financial situation or investment objectives that might require a review or revision to your portfolio.

- We consider your social and environmental values and tailor investments according to your guidelines, mandates and restrictions. This process combines both negative and positive screens so you can automatically exclude or emphasize certain companies based on their industry sector or environmental, social and governance (ESG) policies. We will also review your portfolio holdings held outside of our management and highlight any holdings you have with other financial institutions that contain mutual funds or ETFs that may have potential ethical issues.
- The algorithm-based investment advisory service includes preselected stocks and ETFs for each asset class within the investments recommended to clients. We do not allow clients to select their own stocks or ETFs because each stock, ETF and asset class is considered to be part of the overall investment plan. Clients may not place orders to purchase or sell securities on a self-directed basis within the managed account.

As part of our portfolio management service, we invest your assets according to one or more model portfolios developed by our firm. These models are designed for investors with varying degrees of risk tolerance ranging from a more aggressive investment strategy to a more conservative investment approach.

### **Assets Under Management**

As of November 18, 2021, Aligned Investing was managing \$0 on a discretionary basis. Aligned Investing does not manage client assets on a non-discretionary basis.

#### **ITEM 5**

### **Fees and Compensation**

Aligned Investing's software-based investment advisory service charges an annualized fee of 0.25% on a Client's assets under management. In some cases, Clients can have a portion of their assets managed for free; Aligned Investing waives its advisory fee on \$5,000 of account assets for both the referring Client and the referred Client for each referral. Annual fees are charged on a monthly basis as explained below. Aligned

Investing's fees are not charged in advance and are calculated on a continuous basis and deducted from Clients' Accounts each month as follows: Aligned Investing calculates a daily advisory fee, which is equal to the fee rate multiplied by the net market value of the Client's Account as of the close of trading on the New York Stock Exchange ("NYSE") (herein, "close of markets") on such day, or as of the close of markets on the immediately preceding trading day for any day when the NYSE is closed, and then divided by 365 (or 366 in any leap year). The advisory fee for a calendar month is equal to the total of the daily fees calculated during that month (less any deductions or fee waivers) and is deducted from Client Accounts no later than the tenth business day of the following month.

We do not impose a minimum account size or minimum annual fee.

## **General Information**

***Termination of the Advisory Relationship.*** The advisory relationship may be terminated at any time through Aligned Investing's website or mobile app. There is no cost to you if you terminate your account with five (5) business days of signing the Investment Management Agreement.

***ETF Fees.*** All fees paid to Aligned Investing for investment management services are separate and distinct from the fees and expenses charged by ETFs to their shareholders. These fees and expenses are called expense ratios and are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. For example, an expense ratio of 0.40 means that the ETF charges 0.40% per year for their services. Performance figures quoted by fund companies in various publications are after their fees have been deducted.

***Additional Fees and Expenses.*** In addition to our investment management fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker-dealers, such as margin interest fees, stock borrow fees, and wire transfer fees. Aligned Investing does not receive any portion of these fees.

***Investment Management Fees in General.*** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

***Limited Prepayment of Fees.*** Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

## ITEM 6

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

Aligned Investing does not charge any fees based on a share of capital gains on or capital appreciation of the assets of a client, and therefore we do not engage in side-by-side management.

## ITEM 7

### Types of Clients

Aligned Investing generally provides investment management services to individuals and high net worth individuals.

We do not impose any account minimums or minimum annual fees.

## ITEM 8

Aligned Investing uses algorithms based on the Black-Litterman asset allocation model to provide investment advice and manage client accounts. Our algorithms are developed, overseen, and monitored by Aligned Investing, Inc., an affiliate of Aligned Investing, LLC. When clients sign up for an Aligned Investing account, an algorithm determines Aligned Investing's recommended allocation based on inputs from the client. Algorithms also generate advice regarding automatic rebalancing and account type selection.

The benefits of algorithmic investment advice include:

- Trades are executed at the best possible prices.
- Trade order placement is instant and accurate.
- Trades are timed correctly and instantly to avoid significant price changes.
- Reduced or no transaction costs.
- Simultaneous automated checks on multiple market conditions.
- Reduced possibility of mistakes by human traders based on emotional or psychological factors.

A risk with automated investment advice is that it lacks human judgment and oversight. It may rely on broad assumptions that may not reflect current economic conditions or a client's particular situation. Algorithms may not provide personalized recommendations based on a client's overall tax situation, other investments a client may own and the client's ability or desire to withstand losses. The algorithm might rebalance client accounts without regard to market conditions at an inopportune time and may not address prolonged changes in market conditions.

### **Risk of Loss**

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investment in securities (including stocks, mutual funds and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, Aligned Investing is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated with investing in securities through our investment management program, as described below:

- **Market Risk** – Either the stock market as a whole or the value of an individual company goes down resulting in a decrease in the value of client investments.
- **Equity (Stock) Market Risk** – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you hold common stock, or common stock equivalents, of any given issuer, you are generally exposed to greater risk than if you hold preferred stocks and debt obligations of the issuer.
- **ESG Strategy Risk** – The strategies used for client portfolios incorporates positive and negative screens for environmental, social and governance (ESG) factors into the investment selection process. Doing so exposes the subject portfolio to the following risks:



- **Less Diversification.** An ESG strategy may cause a portfolio to forego some market opportunities available to similar portfolios that do not incorporate ESG factors. As a result, an ESG strategy may cause a portfolio to be less diversified than a portfolio with a non-ESG strategy.
- **Performance.** An ESG strategy may cause a portfolio to exclude certain high performing investments that a non-ESG portfolio would otherwise include. Moreover, companies with practices that are favorable with respect to ESG factors may be out of favor in particular market cycles, be dependent on government subsidies, be engaged in the development of new technologies, or otherwise carry greater business risk than other companies. Accordingly, an ESG portfolio may perform differently than a non-ESG portfolio over the same time period.
- **ESG Data.** The ESG data we use to build the client investment criteria profile is sourced from a third-party provider. Some of the data used to compile third-party ESG scores and ratings may be subjective. Other data may be objective in principle but are not verified or reliable. Third-party scores also may consider or weight ESG differently, meaning that companies can receive widely different scores from different third-party providers.
- **Company Risk** – When investing in stock positions, there is always a certain level of company or industry-specific risk that is inherent in each investment. This risk can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company’s employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- **ETF** – When investing in an ETF, you will bear additional expenses based on your pro rata share of the ETF’s operating expenses, including the potential duplication of management fees. The risk of owning an ETF generally reflects the risks of owning the underlying securities the ETF holds.
- **Management Risk** – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis, and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment may decrease.

## ITEM 9

### Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no disciplinary events to disclose.

## ITEM 10

### Other Financial Industry Activities and Affiliations

Aligned Investing is not involved with any other financial industry activities and has no affiliations with other companies in the financial industry.

## ITEM 11

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal and state securities laws.

Our firm and our personnel owe a duty of loyalty, fairness and good faith towards our clients and have an obligation to adhere not only to the specific provisions of the Code of Ethics, but to the general principles that guide the Code.

Our Code of Ethics includes the firm's policy prohibiting the use of material non-public information (*i.e.*, inside information). While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

We have established the following restrictions in order to ensure that our fiduciary responsibilities are met:

1. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No principal or employee of our firm may prefer his or her own interest to that of the advisory client.
2. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
3. Any individual not in observance of the above may be subject to disciplinary action or termination.

A copy of our Code of Ethics is available to our clients and prospective clients on our website [www.alignedinvesting.co](http://www.alignedinvesting.co).

## ITEM 12

### Brokerage Practices

Aligned Investing places all trade orders for securities transactions on behalf of Client Accounts solely with Alpaca Securities LLC ("Alpaca"), a broker-dealer registered with the SEC and a member of FINRA, with whom Clients must open brokerage accounts if they are to become Aligned Investing investment advisory clients. Clients do not pay any securities transaction costs (e.g., commissions) for trades executed through Alpaca as all costs associated with the clearing and settlement of such securities transactions are borne by Alpaca.

Aligned Investing seeks to ensure that its Client accounts receive the best overall execution for securities transactions from Alpaca by continuing to monitor and review Alpaca's best execution capability. When assessing the best execution capability of Alpaca, Aligned Investing will consider the following factors: execution speed, price improvement versus the national best bid offer (NBBO), and overall execution quality among other factors. To the extent that Alpaca's best execution capability does not appear to meet the quality of best execution on a consistent basis, Aligned Investing would look to remove and replace Alpaca with another broker-dealer.

Aligned Investing does not engage in any "soft dollar" practices involving the receipt of research or other brokerage service in connection with Client transactions, nor does Aligned Investing compensate or otherwise reward any brokers for client referrals.

Aligned Investing does not aggregate orders for a Client Account with orders of other Clients. Consequently, seeking fairness to all of its Clients, Aligned Investing submits Client Account transaction orders pursuant to a randomized selection process seeking to ensure that each Client Account has generally equal priority over time. By not aggregating transaction orders for a Client's Account with orders of other Clients, Clients may receive disparate prices from trading at different times during the day.

## ITEM 13

### Review of Accounts

Our advisory algorithms are designed to continuously monitor your portfolio. We review your account upon opening, and our advisory algorithm continuously monitors and periodically rebalances your portfolio to its target allocations and chosen risk level.

We will contact you at least annually to update your financial situation or investment objectives and determine if you wish to impose any reasonable restrictions on the management of your account or to modify any existing restrictions. In addition, at least quarterly, we will provide you with written notification to contact us with any changes to your information.

You will have 24/7 access to our website and mobile app where you can access your account documents, such as account statements, and review time-weighted and money-weighted returns.

In addition to the monthly statements and confirmations of transactions that clients receive from their custodian, Aligned Investing also provides monthly account statements to clients summarizing account performance, balances and holdings.

## ITEM 14

### Client Referrals and Other Compensation

#### Client Referrals

Aligned Investing waives its advisory fee on \$5,000 of account assets for both the referring client and the referred client for each referral. These arrangements may create an incentive for an existing client or prospective client to refer individuals to Aligned

Investing even if they would otherwise not make the referral. New clients are advised of such compensation prior to opening an account. Aligned Investing supervises the referral activities of our clients. Referred clients are not charged any fee nor do they incur any additional costs for being referred to Aligned Investing by a current client.

### **Other Compensation**

Aligned Investing does not receive any compensation from any third party in connection with providing investment advice to Clients.

## **ITEM 15**

### **Custody**

Aligned Investing does not have physical custody of any of your funds and securities. Your funds and securities will be held with a bank, broker-dealer, or other qualified custodian.

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our advisory fee is directly debited from your account. This arrangement causes our firm to exercise limited custody over your funds and securities.

You will receive account statements from your custodian at least quarterly. Because the custodian does not calculate the amount of the fee to be deducted, it is important for you to carefully review your custodial statements to verify the accuracy of the calculation, among other things. We will also provide statements to you reflecting the amount of the advisory fee deducted from your account. You should compare our statements with the statements for your account custodian to reconcile the information reflected on each statement.

If you have a question regarding your account statement, or if you did not receive a statement from your custodian, please contact us at [support@alignedinvesting.co](mailto:support@alignedinvesting.co).

## ITEM 16

### Investment Discretion

Clients hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

## ITEM 17

### Voting Client Securities

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets. We do not offer any consulting assistance regarding proxy issues to clients.

We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

**Financial Information**

Under no circumstances will we earn fees in excess of \$1,200 more than six months in advance of services rendered, and therefore we have no obligation to disclose our firm financials as part of this Brochure.

Aligned Investing has no financial condition that impairs our ability to meet our contractual obligations to you, and we have never been the subject of a bankruptcy proceeding.