

# Aligne Wealth Advisors Investment Management (AWAIM®)



## Form ADV Part 2A Brochure

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This brochure provides information about the qualifications and business practices of Aligne Wealth Preservation & Insurance Services, LLC, doing business as Aligne Wealth Advisors Investment Management ("AWAIM"). If you have any questions about the contents of this brochure, please contact us at the telephone number or email address listed above. 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. AWAIM is a registered investment adviser, but registration does not imply a certain level of skill or training.

Additional information about AWAIM is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) and by searching for CRD# 321735.

## Item 2: Material Changes

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In this Item, AWAIM is required to identify and discuss material changes since filing its last annual amendment. Since this brochure was prepared as part of AWAIM's initial application for registration as an investment adviser, the following material changes have occurred:

Effective Date	Brochure Item(s)	Description
March 9, 2023	Item 14	We have entered into an agreement with one promoter.

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## Item 4: Advisory Business

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- A. Aligne Wealth Preservation & Insurance Services, LLC, doing business as Aligne Wealth Advisors Investment Management (“AWAIM”) (the “Adviser,” “we,” “us,” or “our”) is an investment adviser first registered with the U.S. Securities and Exchange Commission (“SEC”) in 2022, and principally owned by Ivan Illan.
- B. Adviser primarily offers a suite of four (4) model portfolio solutions (each, a “Model Portfolio”) that strategically allocate towards equities, fixed income, and cash, as determined by its proprietary global, macroeconomic research and outlook.

More specifically, Adviser offers the following types of advisory services:

- i. Discretionary Investment Management. Adviser provides ongoing discretionary investment management services to its clients based upon each client’s current financial condition, goals, risk tolerance, income, liquidity requirements, investment time horizon, and other information that is relevant to the management of clients’ account(s). This information will then be used to make investment and Model Portfolio allocation decisions that reflect clients’ individual needs and objectives on an initial and ongoing basis. Adviser’s investment decisions, through its Model Portfolios, will allocate portions of clients’ account(s) to various asset classes classified according to historical and projected risks and rates of return. Adviser will retain the discretion to buy, sell, or otherwise transact in securities and other investments in a client’s accounts without first receiving the client’s specific approval for each transaction. Such discretionary authority is granted by a client in his or her investment management agreement with Adviser. Clients may impose restrictions on investing in certain securities or types of securities so long as such restrictions may reasonably be implemented by Adviser.

Adviser generally implements its investments strategy by allocating clients’ investable assets across a diversified risk-based portfolio of mutual funds and/or exchange traded funds (“ETFs”), but its Model Portfolios may include additional types of investments as well. The Model Portfolios are rebalanced periodically to remain in-line with the client’s agreed-upon asset allocation, though the asset allocation may be changed from time to time based on changes to a client’s specific situation.

- ii. Financial Planning. When rendering financial planning services (which are provided in connection with investment management services), Adviser will evaluate and make recommendations with respect to various financial planning topics that are relevant to a particular client. Such topics can include, for example, retirement planning, education savings, cash flow management, debt reduction, estate planning, insurance needs, risk mitigation, tax planning, charitable giving strategies, and/or financial goal tracking. Implementation of Adviser’s recommendations will be at the discretion of the client.

When rendering financial planning services, a conflict exists between Adviser’s interests and the interests of its clients; clients are under no obligation to act upon Adviser’s financial planning recommendations. If a client elects to act on any of the recommendations made by Adviser, the client is under no obligation to effect the transaction through Adviser or any of its personnel.

- iii. Pension Consulting Services. To the extent Adviser is retained by a pension or profit sharing plan (a “Plan”), Adviser shall review the Plan’s investment objectives, risk tolerance, and goals, and shall work in partnership with applicable third-parties (such as the Plan’s recordkeeper, third-party administrator, and/or discretionary investment manager) to establish an appropriate investment policy statement and deploy applicable investment options into the Plan’s account. Adviser shall periodically review the

investment options available to the Plan and, if applicable, will make recommendations to assist the Plan with respect to the selection of the Plan's qualified default investment alternative ("QDIA"). Adviser will provide reports, information and recommendations, on a reasonably requested basis, to assist the Plan in monitoring the selected investments. If elected by the Plan, Adviser may also provide various services related to the Plan's governance, the education of Plan participants, and the review of other service providers to the Plan.

Adviser typically provides investment advice with respect to limited types of investments, which include mutual funds and ETFs.

- C. Adviser does not participate in any wrap fee programs.
- D. In connection with Plans subject to the Employee Retirement Income Security Act of 1974 ("ERISA") and applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code") Adviser acknowledges that it is a fiduciary under ERISA and the Code, shall render prudent investment advice that is in Plan's best interest, shall avoid making misleading statements, and shall receive no more than reasonable compensation. When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of ERISA and/or the Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:
- i. Meet a professional standard of care when making investment recommendations (give prudent advice);
  - ii. Never put our financial interests ahead of yours when making recommendations (give loyal advice);
  - iii. Avoid misleading statements about conflicts of interest, fees, and investments;
  - iv. Follow policies and procedures designed to ensure that we give advice that is in your best interest;
  - v. Charge no more than is reasonable for our services; and
  - vi. Give you basic information about conflicts of interest.

- E. As of December 31, 2022, Adviser had the following assets under management:

Discretionary:	\$128,524,630
Non-Discretionary:	\$0

## Item 5: Fees and Compensation

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- A. Adviser is compensated for its advisory services primarily by fees charged based on a client's assets under management with Adviser. Fees are negotiable, and each client's specific fee schedule is included as part of the investment advisory agreement signed by Adviser and the client.

Adviser's standard tiered fee schedule is included below, subject to negotiation with a client:

<b>Client Assets Under Management</b>	<b>Annual Fee Percentage (paid quarterly)</b>
Under \$500,000	1.50%
From \$500,000 to \$1,999,999	1.25%
From \$2,000,000 to \$4,999,999	1.00%
\$5,000,000 and above	0.85%

- B. Fees are deducted in advance on a quarterly basis from clients' assets and based upon the market value of such assets managed by Adviser as of the last day of the prior calendar quarter. Prorated fees are applied or refunded based on mid-quarter client deposits and withdrawals. Outstanding margin balances and cash are included in the assets upon which fees are assessed.
- C. In addition to the fees charged by Adviser, clients will incur brokerage and other transaction costs. Please refer to Item 12: Brokerage Practices, for further information on such brokerage and other transaction-related practices. Clients will also typically incur additional fees and expenses imposed by independent and unaffiliated third-parties, which can include qualified custodian fees, mutual fund or exchange traded fund fees and expenses, mark-ups and mark-downs, spreads paid to market makers, wire transfer fees, check-writing fees, early-redemption charges, certain deferred sales charges on previously-purchased mutual funds, margin fees, charges or interest, IRA and qualified retirement plan fees, and other fees and taxes on brokerage accounts and securities transactions. These additional charges are separate and apart from the fees charged by Adviser.
- D. If Adviser or client terminates the advisory agreement before the end of a quarterly billing period, Adviser's fees will be prorated through the effective date of the termination. The pro rata fees for the remainder of the quarterly billing period after the termination will be refunded to the client.
- E. Certain of Adviser's supervised persons are registered representatives of LPL Financial LLC ("LPL"), an independent and unaffiliated broker-dealer and member of the Financial Industry Regulatory Authority. From time to time and when appropriate for the client, such supervised persons will earn an ordinary and customary commission from the sale of a security to a client in such capacity. This creates a conflict of interest, because such supervised persons have the potential to earn both commissions and advisory fee revenue from a client. The supervised persons address this conflict of interest by fully disclosing their relationships with LPL, informing clients that they are under no obligation to purchase a security through them, and maintaining policies and procedures to reinforce Adviser's fiduciary duty to its clients.

## Item 6: Performance-Based Fees & Side-By-Side Management

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Neither Adviser nor any of its supervised persons accepts performance-based fees (fees based on a share of capital gains or capital appreciation of the assets of a client).

## Item 7: Types of Clients

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Adviser generally provides its services to individuals, high-net-worth individuals, trusts, business entities, charitable organizations, and pension and profit sharing plans. The minimum account value required to open and maintain an account with Adviser is \$500,000, subject to negotiation.



## Item 8: Methods of Analysis, Investment Strategies & Risk of Loss

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- A. Our investment approach is guided by proprietary global, macroeconomic forecasts that inform our allocation decisions to equities, fixed income and cash through the business cycle. Our research considers various factors when formulating our Model Portfolio allocation decisions, which can include but are not limited to: geopolitical events, currency flows, global trade data, consumer and business sentiments, fund flows data, interest rates, monetary policies, immigration data, manufacturing and consumption data, and valuation methodologies. Investing in securities involves risk of loss that clients should be prepared to bear. Past performance does not guarantee future returns.
- B. Like any investment strategy, our investment strategy and our Model Portfolios involve material risks. Such material risks are described in further detail below:
- i. Investing for the long term means that a client's account will be exposed to short-term fluctuations in the market and the behavioral impulse to make trading decisions based on such short-term market fluctuations. Adviser does not condone short-term trading in an attempt to "time" the market, and instead coaches clients to remain committed to their financial goals. However, investing for the long term can expose clients to risks borne out of changes to interest rates, inflation, general economic conditions, market cycles, geopolitical shifts, and regulatory changes.
  - ii. Inflation risk is the risk that the value of a client's portfolio will not appreciate at least in an amount equal to inflation over time. General micro- and macro-economic conditions may also affect the value of the securities held in a client's portfolio, and general economic downturns can trigger corresponding losses across various asset classes and security types. Market cycles may cause overall volatility and fluctuations in a portfolio's value, and may increase the likelihood that securities are purchased when values are comparatively high and/or that securities are sold when values are comparatively low. Geopolitical shifts may result in market uncertainty, lowered expected returns, and general volatility in both domestic and international securities. Regulatory changes may have a negative impact on capital formation and increase the costs of doing business, and therefore result in decreased corporate profits and corresponding market values of securities.
  - iii. Investing in mutual funds does not guarantee a return on investment, and shareholders of a mutual fund may lose the principal that they've invested into a particular mutual fund. Mutual funds invest into underlying securities that comprise the mutual fund, and as such clients are exposed to the risks arising from such underlying securities. Mutual funds charge internal expenses to their shareholders (which can include management fees, administration fees, shareholder servicing fees, sales loads, redemption fees, and other fund fees and expenses, e.g.), and such internal expenses subtract from its potential for market appreciation. Shares of mutual funds may only be traded at their stated net asset value ("NAV"), calculated at the end of each day upon the market's close.

Investing in ETFs bears similar risks and incurs similar costs to investing in mutual funds as described above. However, shares of an ETF may be traded like stocks on the open market and are not redeemable at an NAV. As such, the value of an ETF may fluctuate throughout the day and investors will be subject to the cost associated with the bid-ask spread (the difference between the price a buyer is willing to pay (bid) for an ETF and the seller's offering (asking) price).

Clients are encouraged to carefully read the prospectus of any mutual fund or ETF to be purchased for investment to obtain a full understanding of its respective risks and costs.

## Item 9: Disciplinary Information

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There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of Adviser's advisory business or the integrity of Adviser's management.

## Item 10: Other Financial Industry Activities & Affiliations

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- A. The investment adviser representatives (“IARs”) of Adviser are also registered representatives of LPL.
- B. Neither Adviser nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.
- C. Neither Adviser nor any of its management persons have any relationship or arrangement with any related person below:
- i. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)
  - ii. other investment adviser or financial planner
  - iii. futures commission merchant, commodity pool operator, or commodity trading advisor
  - iv. banking or thrift institution
  - v. accountant or accounting firm
  - vi. lawyer or law firm
  - vii. pension consultant
  - viii. real estate broker or dealer
  - ix. sponsor or syndicator of limited partnerships
- D. Ivan Illan is a licensed insurance agent and from time to time will earn an ordinary and customary commission from the sale of insurance products in such capacity. This creates a conflict of interest, because Mr. Illan has the potential to earn both an insurance commission and advisory fee revenue from a client. Mr. Illan addresses this conflict of interest by fully disclosing his relationship with the applicable insurance provider, and informing clients that they are under no obligation to purchase any insurance products through him.
- Jonas Lee is a licensed insurance agent and from time to time will earn an ordinary and customary commission from the sale of an insurance product in such capacity. This creates a conflict of interest, because Mr. Lee has the potential to earn both an insurance commission and advisory fee revenue from a client. Mr. Lee addresses this conflict of interest by fully disclosing his relationship with the applicable insurance provider, and informing clients that they are under no obligation to purchase an insurance product through him.
- E. Ivan Illan, Jacob Weston, and Jonas Lee (“the IARs”) are registered representatives of LPL. From time to time, the IARs will earn an ordinary and customary commission from the sale of securities in such capacity. This creates a conflict of interest, because the IARs have the potential to earn both a commission and advisory fee revenue from a client. The IARs address this conflict of interest by fully disclosing their relationship with LPL, and informing clients that they are under no obligation to purchase any securities through them.

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

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- A. Adviser has adopted a code of ethics that will be provided to any client or prospective client upon request. Adviser's code of ethics describes the standards of business conduct that Adviser requires of its supervised persons, which is reflective of Adviser's fiduciary obligations to act in the best interests of its clients. The code of ethics also includes sections related to compliance with securities laws, reporting of personal securities transactions and holdings, reporting of violations of the code of ethics to Adviser's Chief Compliance Officer, pre-approval of certain investments by access persons, and the distribution of the code of ethics and any amendments to all supervised persons followed by a written acknowledgement of their receipt.
- B. Neither Adviser nor any of its related persons recommends to clients, or buys or sells for client accounts, securities in which Adviser or any of its related persons has a material financial interest.
- C. From time to time, Adviser or its related persons will invest in the same securities (or related securities such as warrants, options or futures) that Adviser or a related person recommends to clients. This has the potential to create a conflict of interest because it affords Adviser or its related persons the opportunity to profit from the investment recommendations made to clients. Adviser's policies and procedures and code of ethics address this potential conflict of interest by prohibiting such trading by Adviser or its related persons if it would be to the detriment of any client and by monitoring for compliance through the reporting and review of personal securities transactions. In all instances Adviser will act in the best interests of its clients.
- D. From time to time, Adviser or its related persons will buy or sell securities for client accounts at or about the same time that Adviser or a related person buys or sells the same securities for its own (or the related person's own) account. This has the potential to create a conflict of interest because it affords Adviser or its related persons the opportunity to trade either before or after the trade is made in client accounts, and profit as a result. Adviser's policies and procedures and code of ethics address this potential conflict of interest by prohibiting such trading by Adviser or its related persons if it would be to the detriment of any client and by monitoring for compliance through the reporting and review of personal securities transactions. In all instances Adviser will act in the best interests of its clients.

## Item 12: Brokerage Practices

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- A. Adviser considers several factors when recommending a custodial broker-dealer for client transactions and determining the reasonableness of such custodial broker-dealer's compensation. Such factors include the custodial broker-dealer's industry reputation and financial stability, service quality and responsiveness, execution price, speed and accuracy, reporting abilities, and general expertise. Assessing these factors as a whole allows Adviser to fulfill its duty to seek best execution for its clients' securities transactions. However, Adviser does not guarantee that the custodial broker-dealer recommended for client transactions will necessarily provide the best possible price, as price is not the sole factor considered when seeking best execution. After considering the factors above, Adviser recommends LPL Financial LLC ("LPL") as the custodial broker-dealer for client accounts.
- i. Adviser does not receive research and other soft dollar benefits in connection with client securities transactions, which are known as "soft dollar benefits". However, the custodial broker-dealer(s) recommended by Adviser do provide certain products and services that are intended to directly benefit Adviser, clients, or both. Such products and services include (a) an online platform through which Adviser can monitor and review client accounts, (b) access to proprietary technology that allows for order entry, (c) duplicate statements for client accounts and confirmations for client transactions, (d) invitations to the custodial broker-dealer(s)' educational conferences, (e) practice management consulting, and (f) occasional business meals and entertainment. In addition, certain of Adviser's personnel are registered representatives of LPL's broker-dealer.
- The receipt of these products and services (and the registered representative relationship of its personnel) creates a conflict of interest to the extent it causes Adviser to recommend LPL as opposed to a comparable broker-dealer. Adviser addresses this conflict of interest by fully disclosing it in this brochure, evaluating LPL based on the value and quality of its services as realized by clients, and by periodically evaluating alternative broker-dealers to recommend.
- ii. Adviser does not consider, in selecting or recommending custodial broker-dealers, whether Adviser or a related person receives client referrals from a custodial broker-dealer or third-party.
- iii. Adviser does not routinely recommend, request, or require that a client direct Adviser to execute transactions through a specified custodial broker-dealer other than LPL.
- iv. Adviser does not retain discretionary authority to select the broker used for transactions, or to set commissions rates.
- B. Adviser retains the ability to aggregate the purchase and sale of securities for clients' accounts with the goal of seeking more efficient execution and more consistent results across accounts. Aggregated trading instructions will not be placed if it would result in increased administrative and other costs, custodial burdens, or other disadvantages. If client trades are aggregated by Adviser, such aggregation will be done so as to not disadvantage any client and to treat all clients as fairly and equally as possible.

## Item 13: Review of Accounts

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- A. The Chief Compliance Officer, Associate Portfolio Manager, and Internal Portfolio Operations Associate of Adviser monitors client accounts on an ongoing basis, and typically reviews client accounts on an annual basis. Such reviews are designed to ensure that the client is still on track to achieve his or her financial goals, and that the investments remain appropriate given the client's risk tolerance, investment objectives, major life events, and other factors. Clients are encouraged to proactively reach out to Adviser to discuss any changes to their personal or financial situation.
- B. Other factors that may trigger a review include, but are not limited to, material developments in market conditions, material geopolitical events, and changes to a client's personal or financial situation (the birth of a child, preparing for a home purchase, plans to attend higher education, a job transition, impending retirement, death or disability among family members, etc.).
- C. The custodial broker-dealer will send account statements and reports directly to clients no less frequently than quarterly. Such statements and reports will be mailed to clients at their address of record or delivered electronically, depending on the client's election. If agreed to by Adviser and client, Adviser or a third-party report provider will also send clients reports to assist them in understanding their account positions and performance, as well as the progress toward achieving financial goals.

## Item 14: Client Referrals and Other Compensation

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- A. Nobody other than clients provides an economic benefit to Adviser for providing investment advice or other advisory services to clients. However, as described above in Item 12, the custodial broker-dealer(s) recommended for client accounts provides certain products and services that are intended to directly benefit Adviser, clients, or both.
- B. Adviser has entered into arrangements with one or more independent third-parties ("Promoters") that refer prospective advisory clients to Adviser. Such Promoters are compensated directly by Adviser, and the fees charged by Adviser to prospective advisory clients is not increased as a result of such referral. The compensation paid by Adviser to a Promoter will be memorialized in a written agreement, and is generally in the form of (i) a percentage of the advisory fees earned by Adviser from clients referred by the Promoter, (ii) flat per-referral fees, and/or (iii) a recurring flat fee that does not vary based on the number of prospective advisory clients referred. Prospective advisory clients referred to Adviser by a Promoter will receive a separate disclosure that describes the arrangement between the Adviser and the Promoter, including the specific referral fees to be paid. Adviser is independent and unaffiliated with the Promoters from whom it receives prospective advisory client referrals.



## Item 15: Custody

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For clients that do not have their fees deducted directly from their account(s) and have not provided Adviser with any standing letters of authorization to distribute funds from their account(s), Adviser will not have any custody of client funds or securities. For clients that have their fees deducted directly from their account(s) or that have provided Adviser with discretion as to amount and timing of disbursements pursuant to a standing letter of authorization to disburse funds from their account(s), Adviser will typically be deemed to have limited custody over such clients' funds or securities pursuant to the SEC's custody rule and subsequent guidance thereto. At no time will Adviser accept full custody of client funds or securities in the capacity of a custodial broker-dealer, and at all times client accounts will be held by a third-party qualified custodian as described in Item 12, above.

If a client receives account statements from both the custodial broker-dealer and Adviser or a third-party report provider, client is urged to compare such account statements and advise Adviser of any discrepancies between them.

## Item 16: Investment Discretion

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Adviser accepts discretionary authority to manage securities accounts on behalf of clients only pursuant to the mutual written agreement of Adviser and the client through a power-of-attorney, which is typically contained in the advisory agreement signed by Adviser and the client. This includes the authority to buy, sell, and otherwise transact in securities and other investment products in client's account(s) without necessarily consulting with clients in advance. Clients may place reasonable limitations on this discretionary authority so long as it is contained in a written agreement and/or power-of-attorney.

## Item 17: Voting Client Securities

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- A. Adviser does not have and will not accept authority to vote client securities.
- B. Clients will receive their proxies or other solicitations directly from their custodial broker-dealer or a transfer agent, as applicable, and should direct any inquiries regarding such proxies or other solicitations directly to the sender.

## Item 18: Financial Information

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- A. Adviser does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.
- B. Adviser has no financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.
- C. Adviser has not been the subject of a bankruptcy petition at any time during the past ten years.