



# Alden Capital Management, Inc.

March 26, 2025

Form ADV, Part 2, our “Disclosure Brochure” or “Brochure” as required by the Investment Advisers Act of 1940, is a very important document between Clients (you, your) and Alden Capital Management, Inc. (us, we, our). This Brochure provides information about our qualifications and business practices.

***This brochure provides information about the qualifications and business practices of Alden Capital, Inc. If you have any questions about the contents of this brochure, please contact us at [\(215\) 572-8700](tel:2155728700) or [karen@aldeninvestmentgroup.com](mailto:karen@aldeninvestmentgroup.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or any state securities authority.***

***Additional information about Alden Capital, Inc., is also available at the SEC’s website, [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (click on the link, select “investment adviser firm,” and type in our firm name). The results will provide you with Parts 1 and 2 of our Form ADV.***

Our registration as an Investment Adviser does not imply any level of skill or training. The oral and written communications we provide to you, including this Brochure, are the information you use to evaluate us (and other advisers), which are factors in your decision to hire us or to continue to maintain a mutually beneficial relationship.

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## Item 2 – Material Changes

This section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

1. Karen Van Horn has assumed the role of Chief Compliance Officer.
2. We have updated our assets under management.



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## Item 4 – Advisory Business

### Description of Advisory Services

Alden Capital Management, Inc. (“Alden,” “we,” or “us”) became registered as an investment adviser with the Securities and Exchange Commission (SEC) on April 2, 2018. On July 20, 2018, we filed with the states of Pennsylvania and New York to become a state registered investment advisor. The firm then registered with the SEC on July 9, 2019, once the asset count exceeded \$100,000,000. Our total assets under management as of this filing are \$1,444,147,688. Alden Capital Management is a Pennsylvania S Corporation fully owned by Alden Partners, LLC., a Pennsylvania LLC.

We provide a variety of asset management services, including the discretionary management of separate accounts, limited partnership funds, retirement plans and non-discretionary asset management services. We focus on providing a customized allocation for each client using internally managed strategies and offerings from other RIAs, mutual funds and private investment funds. In some cases, we may recommend third-party money managers with expertise in a particular investment strategy. Prior to introducing any Pennsylvania clients to another investment advisor, we will be responsible for determining if we are properly licensed, notice filed, or exempt from registration with the Pennsylvania Department of Banking and Securities. We also offer customized asset allocation and portfolio management strategies to individual clients.

ACM also offers sub-advisory investment services to other registered investment advisor client accounts. The introducing advisor will speak with the client to choose the best ACM investment strategy and ACM will deploy the client assets. All communication with the clients is through the introducing IA.

Alden specializes in evaluating, designing, and implementing retirement programs and executive benefits packages for small and mid-sized companies. Using information such as corporate objectives, industry-specific data, competitive dynamics, and budgetary considerations, Alden assists employers in designing retirement packages to attract, retain, and motivate employees. Alden may act as a fiduciary to retirement and benefit plans and will have clients, including non-profit entities such as hospitals, churches, schools, credit unions, endowments, etc.

### Asset Management Services

The investment management services that we provide to individuals involve determining the client's risk/return profile, goals, and objectives and then selecting the appropriate strategy. Clients are free to impose restrictions or limitations on our selection of investments in certain securities or types of securities. Our recommendations are based on information you provide regarding your financial needs, retirement and financial goals, investment objectives, net worth, time horizon, risk profile, tax situation, and liquidity needs.

We generally manage individual client accounts on a fully discretionary basis, which allows us to change your portfolio allocation as we deem prudent without your prior authorization. However, you may choose to have your account managed on a non-discretionary basis. If you chose a non-discretionary account, we would need to discuss any changes to your account before repositioning your assets, which may delay our ability to reallocate your assets in response to market conditions.



## Alden COVE Platform

Alden Capital Management and Alden Investment Advisors provide its investment advisor representatives and external RIAs with access to its Alden COVE platform. Representatives of each firm are required to use this platform. This platform provides detailed risk profiling and allows advisors to manage client accounts in a unified managed household, unified managed account and advisor as PM structure. Institutional asset manager and/or sub-advisor fees are available for clients to review upon account opening and are charged quarterly, above and beyond the agreed-upon fee between the investment advisor representative and the client. Platform fees for Alden COVE generally start at 0.35% before any investment advisor representative fees. The firm reserves the right to charge clients lower fees.

Each client has a direct contractual relationship with Alden for access to the Alden COVE platform, which allows both Alden and Amplify Platform to render their services to the client. Alden engages unaffiliated investment advisors to service its advisors and client accounts as sub-advisors. These sub-advisors will perform discretionary investment management services and shall manage, invest and reinvest the underlying client assets designated by the advisor. As such, selected manager(s) shall be authorized, without prior consultation to the advisor or client, to buy, sell, trade, or allocate the underlying client's assets per the underlying client's investment objectives and to deliver instructions in furtherance of this responsibility to the underlying client's broker-dealer or custodian.

Advisors retain responsibility for their underlying client relationships, including the initial and ongoing suitability determination. They shall also retain the responsibility for implementing client investment recommendations under their fiduciary duty to the client. Advisors are responsible for obtaining and furnishing asset management strategy selection information, underlying client account guidelines, and reasonable account restrictions.


Alden COVE sits on the Amplify Platform and leverages its services as a technology provider. This allows Alden to focus primarily on helping advisors and clients with the investment management and middle/back-office services outlined above. The Amplify Platform provides Alden COVE with a technology chassis, back-office operational support services such as administrative, trading, and reporting services, and access to independent third-party managers.

Alden has executed a platform agreement with Amplify Platform, which allows it, as a platform member, to receive the back-office services outlined above on a sub-advisory basis. This allows advisors using Alden COVE to allocate all or a portion of their underlying client's assets among the different institutional asset managers available through the platform on a discretionary basis. In a typical advisor relationship with Alden COVE, Alden will compensate Amplify Platform directly from its remaining fee.

## Management of Held-Away Accounts

Alden COVE helps advisors and clients expand their service breadth by providing professional discretionary management on held-away accounts/assets such as defined contribution plan participant accounts. To do so, Alden leverages Pontera, a technology platform.





Pontera allows Alden and its affiliated advisors through Alden COVE to avoid being considered to have custody of client funds as they do not have direct access to client log-in credentials to effect trades. Alden has integrated Pontera into its Alden COVE platform and may receive compensation for this integration and similar investment management, technology and client services outlined above.

A link is provided to clients, allowing them to connect accounts to Pontera. Once client accounts are connected, the advisor will review the current account allocations. When deemed necessary and based on information gathered during the Alden COVE client account onboarding, the advisor will rebalance the account, considering client investment goals and risk tolerance, as well as current economic conditions and market trends in any change in allocations.

This holistic approach allows advisors to expand their professional management for clients. This additional integration aims to improve account performance over time, minimize loss during difficult markets, manage internal fees that harm account performance, and factor in all client accounts to create an appropriate asset allocation and portfolio, regardless of where the account is currently held. It is the advisor's responsibility to review the account(s) at least quarterly and make allocation changes they deem necessary.

Clients using the Pontera integration of Alden COVE will also be subject to Alden Capital Management's regular fee schedule. Alden bills one client fee and compensates the individual advisor on a schedule negotiated during advisor onboarding. Alden will compensate Pontera directly from its retained fee.

Permitting access to a data feed, Pontera-based accounts will be linked into Alden COVE's advisor platform and client portals for optimized, unified, managed household reporting. However, it is the advisor's responsibility to request this feed.

### [Alden Capital Management Strategies](#)

Alden Capital Management has its own proprietary investment strategies available for clients on Alden COVE. Alden acknowledges a conflict exists when clients and/or their advisors select an Alden-managed model for all or part of a client's portfolio.

### [Fee-Only Financial Planning](#)

Alden offers its clients access to financial planning for a fee, without any requirement to become an investment advisory client of the firm. These fees can be billed as a one-time fee or a monthly retainer. Services may vary based on client requirements, but generally, clients will receive a hard copy or digital plan, including a financial overview, cash flow or goals-based projections, and specific planning advice. Financial planning fees can be billed via Stripe or paid by check.



## Item 5 – Fees and Compensation

### Asset Management Services

Our fees for asset management services are negotiable. For certain accounts, we may charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (so-called performance-based fees). Our maximum fees are:

- Customized Management – Up to 2.00% Annual Fee

We may change our fee schedules 30 days prior to written notice to you. No fee adjustments will be made for additional deposits, partial withdrawals, account appreciation or depreciation. Fee adjustments will be made if accounts are added or closed. We aggregate all your managed accounts together to determine the amount of your quarterly fee. Each of our Investment Advisory Representatives determines the fees they will charge for their services. As a result, you may be able to obtain advisory services from other Investment Advisory Representatives at a lower cost. There is no correlation between the education and business experience of the Investment Advisory Representative and the fee charged. Depending on your account balance, our fees may be higher than those of other investment advisers. Similar advisory services may be obtained elsewhere at a lower cost.

Advisory fees will be charged in arrears each calendar quarter. The quarterly advisory fee will be based on the value of the managed portfolio on the last business day of the just-completed calendar quarter. Fees for partial periods will be pro-rated. The initial advisory fees will be calculated based on the account's value when it is opened.

### Fee Payment Options

As indicated in our advisory agreement with you, advisory fees will generally be collected directly from your account, provided you have given us written authorization to do so. At the inception of our relationship with you and each quarter thereafter, we will notify your custodian of the amount of the fee due and payable to us through our fee schedule and contract. The custodian does not validate or check our fee; it is calculated on the assets on which the fee is based. They will “deduct” the fee from your Account(s) or, if you have more than one account from the account you have designated to pay our advisory fees. If your account does not contain sufficient cash to pay advisory fees, we have limited authority to sell or redeem securities in amounts sufficient to cover the advisory fees.

Each month, you will receive a statement directly from your custodian showing all transactions, positions, and credits/debits into or from your account; the statements after the quarter end will reflect these transactions, including the advisory fee you paid to us. We will also provide you with periodic reports itemizing the fee, including the formula used to calculate the fee, the time period covered by the fee, and the amount of assets under management on which the fee was based upon your request. This information is also available on our custodians' monthly statements and is accessible at any time through the custodians' online systems. If you choose, you may also pay our advisory fees by check. At the inception of your account and each quarter thereafter, we will issue you an invoice for our services, and you will pay us by check or wire transfer within 15 days of the invoice's date.

**Cash Raises for Distributions and/or Fee Billing.** If insufficient cash is within a client account to process a distribution or generate an advisory fee, Alden reserves the right to place trades to raise the required money. Investment advisor representatives may make these trades or



outsource them to Alden's internal trade team. While Alden will make a best effort to minimize tax implications and any adverse portfolio effects, there is no guarantee that either of these will occur based on client holdings and the amount of cash needed.

### **Additional Fees and Expenses**

Advisory fees payable to us do not include all the fees you will pay when we purchase or sell securities for your account(s). The following list of fees or expenses is what you pay directly to third parties, whether a security is being purchased, sold, or held in your account(s) under our management. Fees charged are by the broker-dealer/custodian.

We do not receive any of these fees charged to you directly or indirectly. They are paid to your broker, custodian, mutual fund, or other investment you hold. The fees include:

- Brokerage commissions;
- Transaction fees;
- Exchange fees;
- SEC fees;
- Advisory fees and administrative fees charged by Mutual Funds (MF), Exchange Traded Funds (ETFs)
- All or a portion of advisory fees charged by sub-advisers (if any are used for your account);
- Custodial Fees;
- Deferred sales charges (on MF or annuities);
- Odd-Lot differentials;
- Deferred sales charges (charged by MFs);
- Transfer taxes;
- Wire transfer and electronic fund processing fees;
- Commissions or mark-ups / mark-downs on security transactions;
- Among others that may be incurred.

Some Investment Advisory Representatives of Alden are registered representatives of J. Alden Associates, Inc. ("J. Alden"), a registered broker-dealer. Representatives may receive 12b-1 fees or trail commissions for a period of time due to directing mutual fund transactions in your advisory account through J. Alden. The receipt of 12b-1 fee creates a conflict of interest and could incentivize Investment Advisory Representatives to recommend funds with 12b-1 fees over funds that do not have these or lower fees. We will manage this conflict by regularly reviewing your account to ensure that all mutual fund recommendations suit you.

### **Platform Reporting Fee**

As of mid-2024, Alden required its firm's representatives to use the Alden COVE platform for client account reporting. As part of this move, all client agreements disclose a 0.05% (five basis points) annual reporting fee, billed in monthly increments.

### **Termination Provisions**

You may terminate your advisory agreement with us, without penalty, upon written or electronic correspondent notice within five (5) business days after entering into the advisory agreement. You will be responsible for any fees and charges incurred from third parties while maintaining your account, including transaction fees and account maintenance or custodial fees. You may terminate your advisory agreement with us upon thirty (30) days prior written notice to us. Should you terminate the advisory agreement during a calendar quarter, you will be issued a pro-rated refund of the advisory fee from the date of termination to the end of the calendar quarter. Termination of





third-party management agreements must be done in accordance with the terms of the third-party management agreement.

Please refer to Item 12 of this Brochure for more information.

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

For certain accounts, we may charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (so-called performance-based fees). Our performance-based fee calculations include a high-water mark feature where fees are only charged on amounts representing new monthly highs for your account. This may create a conflict of interest, which could incentivize us to recommend investments in the strategies with performance-based fees. We manage this conflict of interest by carefully screening the qualifications of the investors in these accounts as well as their risk and return objectives to determine suitability.

The Community Financial Institutions Fund (“CFIF Fund”) awards performance-based fees to its General Partner, Community Finance Partners GP, LLC. Community Finance Partners GP, LLC has two managing members, one of which is Lowry’s Lane Capital, LLC, founded by Ted Peters, and the other is ALPS Partners, LLC, founded by Alden Capital Management, Inc. Alden Capital Management is the Investment Manager to the Partnership subject to the overall supervision of the General Partner. It is an investment adviser registered with the SEC. The Investment Manager's portfolio management team is comprised of Pierce Dever and assisted by Matthew Resch. Messrs. Dever and Resch are investment advisor representatives of Alden Capital Management. Generally, at the end of each fiscal year, 20% of the excess of the net capital appreciation of the Community Financial Institutions Fund for such fiscal year over the Management Fee for such fiscal year will be reallocated to the capital account of the General Partner in its capacity as the General Partner of the Fund, adjusted for fees, trading costs and factoring in a highwater mark based on previous performance. This may create a conflict of interest, incentivizing us to recommend investments in the Community Financial Institutions Fund. We manage this conflict of interest by carefully screening the qualifications of the Fund's investors and their risk and return objectives to determine suitability.

## **Item 7 – Types of Clients**

We provide our services to several types of clients, including individuals, high net-worth individuals, other financial advisors, pooled investment vehicles, private limited partnership funds and mutual funds, retirement plans, and non-profit entities. We generally require a minimum account size of \$25,000. However, under certain circumstances, we may waive this minimum. However, please be aware that account performance may suffer due to the difficulty of diversifying smaller accounts, trading fees, or other costs charged by custodians representing a higher percentage of the total account value.

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

### **Analysis:**

We use a wide variety of sources to gather, analyze, and interpret information relating to the securities we recommend. These sources include communicating directly with issuers to collect information on a particular investment opportunity, reviewing public filings and financial information provided by data services, third-party research, and analysis of quantitative or qualitative information. Our advisers also follow media sources to keep abreast of news that may



affect the markets in general or particular investments held by clients. In addition to standard reference sources for information regarding economic conditions and corporate data, we also rely on pricing data analysis, portfolio research services, and internally generated research.

### **Investment Strategies:**

We employ various strategies for our asset management services:

#### **Portfolio Management Services**

- **Asset Allocation Portfolio (“AAP”)**

We have several Asset Allocation Portfolios based on unique risk/return profiles – Conservative, Moderate, Balanced, Growth and Aggressive. Based on your investment objectives and financial needs, we offer separately managed accounts that invest in various securities designed to meet the risk/return profile of the chosen model. These AAP portfolios primarily utilize ETFs and mutual funds. The AAP Portfolios hold publicly traded securities such as equities and ETFs and are subject to fluctuations that vary based on the risk they take. The Conservative strategy has the least fluctuation and lowest return, while the Aggressive strategy has the highest return potential and most fluctuation.

- **Customized Portfolio Management**

We also offer customized asset allocation and portfolio management strategies to individual clients. Various securities, including mutual funds, ETFs, stocks, bonds, preferred securities, limited partnerships, and third-party managed accounts, may be used to customize client portfolios depending on each client's risk/return criteria.

- **Retirement Plan Advisory Services**

We act as a 3(21) and a 3(38) fiduciary for retirement plans and will act as advisor on both 401k and 403b plans. We will advise both the plan sponsor and plan participants. We provide open architecture 401ks that can invest in mutual funds and ETFs. We also offer more traditional plans.

Alden specializes in evaluating, designing, and implementing retirement programs and executive benefits packages for small and mid-sized companies. Using information such as corporate objectives, industry-specific data, competitive dynamics, and budgetary considerations, Alden assists employers in designing retirement packages that attract, retain, and motivate employees.

Alden also analyzes existing employer-sponsored 401(k) Plans regarding the Investment Policy Statement, Asset Allocation, Automatic Enrollment, Catch-up Provisions, Company Stock, Eligibility, Employee Participation Rate, Employer Contributions, Hardship Withdrawals, Use of Investment Advice, Investment Choices, Fund Performance, Loans, Non-Qualified Supplements, Roth 401(k), Safe Harbor Plan Design, and Vesting Schedule.

Additionally, we provide customized employee educational services and will meet one-on-one with employees up to twice per year. We also conduct group meetings with employees to ensure they understand the plan, know their investment choices, and recognize the value of participating. On an ongoing basis, our team is available to provide market updates or address other issues relevant to your company in a group setting. Employees can always access our Retirement Specialists between scheduled meetings through website access, emails, and phone support.



## Conflict of Interest

Alden reserves the right to negotiate revenue shares with third-party managers, including but not limited to managers of institutional SMAs, model portfolios, sub-advised strategies, ETFs, and mutual funds. These relationships create a conflict of interest. Additionally, Alden may promote strategies it manages, such as traditional or alternative investments. Generally, these strategies are available through the Alden COVE platform. Traditional strategies, as are all other third-party managers, are available through the model marketplace. Alternative investments are subject to additional due diligence and approval at the firm, advisor and client level. Clients invested in alternative investments will generally receive a discount from their platform and/or billed annual fee(s).

- **Community Financial Institutions Fund, LP**

The Community Financial Institutions Fund, LP, is a Delaware limited partnership formed in January 2015 to operate as a private investment limited partnership for the benefit of U.S. taxable investors. Alden Capital Management has been retained as the Investment Manager for this fund. The Fund is a directional, long-short hedge fund focused on investing in the common equity of publicly traded micro, small, and mid-capitalization banks, bank holding companies, and financial holding companies based in the U.S. and other financial companies. The Community Financial Institutions Fund is appropriate for investors seeking equity-like returns and comfortable with full equity risk. While the fund is generally hedged, both long and short securities, investment returns may be more volatile than the overall market during certain periods. The Community Financial Institutions Fund is only available for investors who meet the Accredited Investor and Qualified Client standards.

If you select this Fund as an investment option for your account, you will not be billed a separate advisory fee by us. You will only incur the fees charged by the Fund.

## Risk of Loss:

All investments in securities include a risk of loss of your principal (invested amount) and any profits that have not been realized (the securities were not sold to “lock in” the profit). As you know, stock markets and bond markets fluctuate substantially over time. In addition, as recent global and domestic economic events have indicated, the performance of any investment is not guaranteed. As a result, there is a risk of loss of the assets we manage that may be out of our control. We will do our very best to manage your assets; however, we cannot guarantee any performance or that you will not experience a loss of your account assets. Your participation in any of our management programs will require you to be prepared to bear the risk of loss and fluctuating performance.

We do not represent, warrant, or imply that our services or analytical methods can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to major market corrections or crashes. Past performance is not an indication of future performance. We cannot guarantee that your goals or objectives will be achieved or that our advisory services will provide a better return than other investment strategies.

When we employ a shorter-term trading approach that results in more frequent trading, increased transaction fees and capital gains taxes may negatively impact investment performance.

As detailed above, we primarily invest in stocks, bonds, ETFs, and mutual funds and employ a long-term strategy. We also offer investments in options, limited partnerships, and the use of third-party managers. There are specific risks associated with each type of investment:



- **Stocks:** Investing in stocks involves risks relating to:
  - **Financial risk:** risk that the companies we recommend to you may perform poorly, affecting your investment price.
  - **Market risk:** risk that the stock market will decline, decreasing the value of the securities we recommend.
  - **Inflation risk:** risk that the rate of price increases in the economy will lessen the relative returns associated with the stock.
  - **Political and governmental risk:** risk that the value of your investment may change with the introduction of new laws or regulations.
- **Bonds:** Investing in bonds involves risks relating to:
  - **Interest rate risk:** risk that the value of the bonds we recommend to you will fall if interest rates rise.
  - **Call risk:** risk that your bond will be called or purchased back from you when conditions are favorable to the bond issuer and unfavorable to you.
  - **Default risk:** risk that the bond issuer may be unable to pay you the contractual interest or principal on the bond promptly or at all.
  - **Inflation risk:** risk that the price increases in the economy will negatively impact the relative returns associated with the bond.
- **Mutual Funds:** Investing in mutual funds involves risks relating to:
  - **Manager risk:** risk that the investment manager of an actively managed mutual fund will fail to execute the fund's stated investment strategy.
  - **Market risk:** risk that the stock market will decline, decreasing the value of the securities contained in the mutual funds we recommend to you.
  - **Industry risk:** risk that a group of stocks in a single industry will decline in price due to adverse developments in that industry, decreasing the value of mutual funds that are significantly invested in that industry.
  - **Inflation risk:** risk that the rate of price increases in the economy lessens the relative rate of return associated with the mutual fund.
- **ETFs:** ETF performance may not exactly match the performance of the index or market benchmark that the ETF is designed to track because the ETF will incur expenses and transaction costs not incurred by any applicable index or market benchmark; certain securities comprising the index or market benchmark tracked by the ETF may, from time to time, temporarily be unavailable, and supply and demand in the market for either the ETF and/or for the securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF. Certain ETF strategies may, from time to time, include the purchase of fixed income, commodities, foreign securities, American Depositary Receipts, or other securities for which expenses and commission rates could be higher than normally charged for exchange-traded equity securities and for which market quotations or valuation may be limited or inaccurate. Clients should be aware that to the extent they invest in ETF securities, they will pay two levels of advisory compensation – advisory fees charged by Alden Capital plus any management fees charged by the issuer of the ETF. This scenario may cause a higher advisory cost (and potentially lower investment returns) than if a Client purchased the ETF directly. An ETF typically includes embedded expenses that may reduce the fund's net asset value, directly



affecting the fund's performance and indirectly affecting a Client's portfolio performance or an index benchmark comparison. Fund expenses may include investment advisor management fees, custodian fees, brokerage commissions, and legal and accounting fees. ETF expenses may change from time to time at the sole discretion of the ETF issuer. Alden Capital discloses each ETF's current information, including expenses, on the Site. ETF tracking errors and expenses may vary.

- **Options:** Using put and call options may result in account losses, force the sale or purchase of underlying securities at inopportune times or unfavorable prices, limit the amount of appreciation an account may realize, or cause an account to hold a security it otherwise might sell. Using options as a hedging instrument may involve losses greater than the value of the assets in the account. Options may not be able to be readily sold, resulting in substantial losses. Although option hedging strategies minimize the risk of loss, they also tend to limit potential gains.
- **Limited Partnerships:** Investments in limited partnership interests are often not registered under the securities laws and may not be able to be readily sold. Redemption options may be limited or may not exist at all. Because of the limited market for these investments, it is difficult to accurately value the investment over time. Generally, you must meet specific criteria to be able to invest in limited partnership interests. You may also incur tax liabilities for which you will not receive an associated cash distribution, and you may also be subject to alternative minimum tax (AMT).
- **Third-Party Managers:** When we recommend that you use a third-party manager to manage your account, we will provide you with a disclosure brochure detailing the manager's investment strategies, methods of analysis, and associated risks.
- **Long-Term Strategy:** A long-term strategy assumes that the financial markets will rise over time, which may not occur within your time horizon. Holding investments long-term may involve lost opportunity costs by tying up assets that may be used for more beneficial short-term investments.

## Item 9 – Disciplinary Information

We do not have any legal, financial, or other “disciplinary” items to report to you. However, we are obligated to disclose any disciplinary event that would be material to you when evaluating us to initiate or continue a Client /Adviser relationship. This statement applies to our Firm and every employee.

## Item 10 – Other Financial Industry Activities and Affiliations

We are affiliated with J. Alden Associates, Inc (“J. Alden”), a broker-dealer registered with the Financial Industry Regulatory Authority (“FINRA”), which was purchased by Lee Calfo and Ken Smith and approved by FINRA on August 10, 2018. We are also affiliated with Alden Investment Advisors and Equalize Capital investment advisers registered with the Securities and Exchange Commission through our common ownership by the principals of Alden Capital.

Our Investment Advisory Representatives are dually registered as Registered Representatives of J. Alden. You are not obligated to purchase securities through J. Alden. However, if you choose to do so, your Investment Advisory Representative may receive commissions from J. Alden in addition to any fees you pay for advisory services. Commissions charged by J. Alden may be higher or lower than at other broker-dealers. Investment Advisory Representatives have a conflict of interest that may



encourage them to recommend that you purchase securities or insurance products through J. Alden. We manage this conflict by disclosing it and allowing you to choose where your securities transactions are executed.

Under FINRA rules, J. Alden has certain supervisory obligations relating to the activities of its Registered Representatives who are also registered with us. We may pay J Alden a portion of the advisory fees that we receive to compensate them for these supervisory activities.

As discussed in Item 4 – Advisory Business, we may recommend third-party asset managers from whom we will receive a portion of the advisory fees charged to you by the third-party manager. We manage this conflict of interest by selecting only third-party managers who provide advantageous services to our clients based on cost, management styles, past history, ability to meet client needs, and unique services not otherwise available. The portion of the fee we receive is based on the performance of your account, so our interests align with yours in working to achieve your performance objectives.

Our Global Head of Compliance, Ken Smith, is also the founder of Compass Financial Advisors, LLC, a registered investment adviser affiliated with us through common control. Mr. Smith only provides investment advisory services through Compass Financial Advisors. He also serves as the Chief Compliance Officer of J. Alden. Our Chief Compliance Officer, Karen Van Horn, also serves as the Chief Compliance Officer for Alden Investment Advisors and Equalize Capital. One of our principal owners, Lee Calfo, is also registered as an investment adviser representative with Alden Investment Advisors and Equalize Capital.

## Item 11 – Code of Ethics

As required by regulation and because it's good business, we have adopted a Code of Ethics that governs several potential conflicts of interest we have when providing our advisory services to you. This Code of Ethics is designed to ensure we meet our fiduciary obligation to you, our Client (or Prospective Client), and drive home a culture of compliance within our firm.

Another benefit of our Code is to detect and prevent violations of securities laws, including the obligations we owe you.

Our Code is comprehensive and distributed to each employee at the time of hire and annually thereafter (if there are changes). We also supplement the Code with annual training and ongoing monitoring of employee activity.

Our Code includes the following:

- Requirements related to the confidentiality of your information;
- Prohibitions on:
  - Insider trading (if we are in possession of material, non-public information);
  - Rumor mongering;
  - The acceptance of gifts and entertainment that exceed our policy standards;
- Reporting of gifts and business entertainment;
- Pre-clearance of employee and firm transactions;
- Reporting (on an ongoing and quarterly basis) all personal securities transactions (what we call “reportable securities” as mandated by regulation); and,
- On an annual basis, we require all employees to re-certify to our Code, identify members of their household and any account to which they have beneficial ownership (they “own” the



account or have “authority” over the account), securities held in certificate form and all securities they own at that time).

Our Code does not prohibit personal trading by employees (or our firm). As you may imagine, as a professional investment adviser, we follow our own advice. As a result, we may purchase or sell the same or similar securities (or securities that are suitable for an employee or related account but not suitable for any client, including you) at the same time that we place transactions for your account and the accounts of our other Clients. We will not put our interests first by trading ahead of client orders to obtain a better price.

You may request a complete copy of our Code by contacting us at the address, telephone number, or email on the cover page of this Part 2; attn.: Karen Van Horn, Chief Compliance Officer.

## Item 12 – Brokerage Practices

### General Considerations:

We have established relationships with Raymond James and Charles Schwab to provide transaction execution, clearance and settlement, and custodial services for our clients. We may develop such relationships with additional firms in the future.

You may choose to hold your account assets at other brokerage firms with which we do not maintain relationships. If you choose to do so, our advisory services will include advice only. We will not implement our recommendations by instructing these firms to execute securities transactions for you.

The general considerations that we use in selecting the brokerage firms include:

- Ability to provide quality service
- Financial stability and viability
- Industry reputation
- Ability to provide quality reports
- Availability of an efficient trading platform
- Products and services available
- Technology resources
- Educational resources
- Execution capability
- Confidentiality and security of your information
- Responsiveness
- Other factors that may bear on the overall evaluation of best price

### Brokerage Discretion:

For a number of discretionary client accounts, Alden has the discretionary authority to select a broker (other than a client’s current Custodian) to execute a fixed-income trade. Generally, this broker will be J Alden Associates. Each trade placed at a broker other than a client’s selected Custodian may cost the client an additional fee charged by the Custodian to settle the trade. This is in addition to any mark-up or mark-down that may be paid to the broker-dealer Alden selects to buy or sell the security. RIA may use this discretionary authority to trade away from the custodian when only purchasing or selling fixed-income securities. It is not used in all





cases. Alden may impose reasonable restrictions on this authority based on the client account(s) size and Custodian fees.

**Research and Other Soft Dollar Benefits:**

We currently do not receive soft dollar benefits.

**Brokerage For Client Referrals:**

We do not select brokerage firms based on client referrals.

**Block Trading Procedures:**

We may aggregate transactions in the same security on behalf of more than one client to obtain the best execution and reduce the average price per share. Participating clients will get the average price per share for the security for which trades are bunched but will not necessarily realize reduced trading costs. Our procedures are designed to ensure that all participating clients are treated equally. If an aggregated order is not entirely filled, the shares transacted will be allocated randomly. Under certain circumstances, the number of shares may be increased or decreased to avoid odd-lot differentials or a minimal share allocation.

**Principal Trading:**

We do not purchase or sell securities for our clients from accounts in which we have a beneficial interest.

**Cross Transactions—Agency Cross Transactions:**

We do not purchase or sell securities from other client accounts on behalf of our clients.

**Item 13 – Review of Accounts**

We review all accounts at least quarterly. All accounts receive the same level of review. The following individuals conduct reviews:

- Karen Van Horn, Compliance Officer / Chief Risk Officer
- Kenneth Smith, Global Head of Compliance

We also monitor all accounts on an ongoing basis for performance in relation to general market and economic conditions in light of each client's specific objectives and current asset mix. Please notify your Investment Advisory Representative promptly of any changes to your financial goals, investment objectives, or financial situation so that we may adjust our reviews accordingly.

If you participate in Asset Management Services, you will be invited to participate in a review at least annually in person or by telephone. You may request more frequent reviews and may set thresholds or trigger events that would generate a review.

You will receive statements and transaction confirmations at least quarterly directly from the broker-dealer carrying your account. We will also provide you with a quarterly report reflecting the performance of your managed portfolio. You should compare our report with the statements you receive from the custodian broker-dealer and notify us promptly of any discrepancies.





## Item 14 – Client Referrals and Other Compensation

We may also receive benefits from product vendors. These vendors may provide us with monetary and non-monetary assistance with client events and provide educational tools and resources in connection with retirement educational presentations. We do not select products based on this assistance.

## Item 15 – Custody

We directly debit advisory fees from client accounts, as discussed in Item 5 of this brochure. Therefore, we are deemed to have limited custody solely because the custodian directly deducts advisory fees from client accounts on our behalf.

You will receive account statements directly from the broker-dealer carrying your account. You should carefully review these statements, and if you have any questions or concerns, you should contact us immediately. If you are receiving separate statements from us, we urge you to compare our statements with the statements that you receive from your broker-dealer.

## Item 16 – Investment Discretion

Under our advisory agreement, you authorize us to manage your account at your discretion. This allows us to buy, sell, exchange, and convert securities in your managed accounts without contacting you first. You may terminate discretionary authorization at any time by providing us with prior written notice as explained in your advisory agreement with us.

Additionally, you are advised that:

- 1) You may set parameters concerning when your account should be rebalanced;
- 2) You may set trading restrictions or limitations;
- 3) Your written consent is required to establish any mutual fund, variable annuity, or brokerage account;
- 4) With the exception of deducting our advisory fees from your account, if you have authorized automatic deductions, we cannot withdraw your funds or securities from the account to satisfy these deductions.

## Item 17 – Voting Client Securities (i.e., Proxy Voting)

We generally do not have the authority to vote for client securities. You will receive proxy voting material directly from your account's brokerage firm. You are responsible for voting all proxies. We may provide information or advice regarding proxy issues. Please call us if you have any questions regarding a particular proxy solicitation.

You may request that we vote proxies on your behalf, which request will be honored solely at our discretion. If we agree to vote proxies on your behalf, we will follow our Proxy Voting Policies. We will maintain specific records of how we voted for your proxies, which are available upon request. You may also request to receive a copy of our Proxy Voting Policies by sending us a written request. If you designate us to vote proxies, you are advised of the following:

1. Votes will be cast in the client's best interest as a general policy.
2. We may determine not to vote a proxy in the client's best interests on certain occasions.
3. Proxies will be voted on consistently.



4. Generally, issues related to executive compensation, incentive stock options, executive recruiting, or any matter giving the company latitude in compensation matters or similar matters that could be used to act in the company's best interest rather than clients' best interest will typically be voted no.
5. Neutral issues such as the retention or appointment of accounting or audit services are typically voted yes.

### **Item 18 – Financial Information**

We do not require or solicit prepayment of more than \$1,200 in fees per client six months or more in advance. No financial condition is reasonably likely to impair our ability to meet our contractual commitments to you. We have not been the subject of a bankruptcy petition, nor have any of our Investment Advisor Representatives.

