



Aloft Financial LLC

Aloft Financial LLC

A Registered Investment Advisor
In the States of Virginia and Washington

Firm Brochure

December 31, 2025

This brochure provides information about the qualifications and business practices of Aloft Financial. If you have any questions about the contents of this brochure, please contact us at (425) 260-4558 or rschiel@aloftfinancial.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Aloft Financial is also available on the SEC's website at www.adviserinfo.sec.gov.

Please note that registration does not imply a certain level of skill or training. For information about the skill and training of the principals at Aloft Financial, please refer to the contents of this brochure.

Item 2: Material Change
Annual Update



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Item 4: Advisory Business

- a. Aloft Financial LLC (“Advisor”) was registered as an investment advisor with the Commonwealth of Virginia in July 2024 and the state of Washington in January 2025. The company is owned by Ronald Schiel and Cindi Schiel. The firm provides comprehensive wealth management services, including
- i. investment advisory services,
 - ii. retirement planning services,
 - iii. strategic tax planning and tax return preparation services,
 - iv. qualified plan consulting,
 - v. compensation planning and payroll services, and
 - vi. financial management and bookkeeping services
 - vii. other services coordinated with trusted advisors including family trust and estate planning services.

b. Advisory Services

i. Wealth Management Services

Aloft Financial offers Wealth Management Services, which we define to be a combination of Financial Planning plus Investment Management Services. We believe the combination of these services provides the greatest value for our clients. However, Clients of the Advisor are not required to be Wealth Management Clients. They can choose to utilize only our Financial Planning Services or our Investment Management Services.

ii. Financial Planning Services

Aloft Financial provides Financial Planning services tailored to the needs and requests of our clients. For example, some clients may simply require a Core Financial Plan as they begin to make investment decisions. For clients with more experience and more assets and specific goals, we offer Comprehensive Financial Plans and Advanced Financial Plans. In addition, certain clients may have specialized objectives for specific transactions or needs. We provide Specialized Financial Plans for these situations. The Advisor’s financial planning services leverage the education and experience of the principals, including experience as a certified financial planner and certified public accountant. The firm may also leverage additional resources to provide these services to clients, including WealthVision Financial Planning Software and ParaPlanning Services and High Net Worth services offered by LPL Financial LLC (“LPL”).

Core Financial Plan – These plans will include portfolio review and investment advice, asset allocation and rebalancing strategies, risk tolerance review, contribution and savings strategies, retirement outlook and timing analysis, retirement plan contributions, and a review of existing insurance plans.

Comprehensive Financial Plan – These plans will include Core Financial Plan elements plus income and expense analysis, emergency funding, debt management, retirement income strategies, Social Security optimization, stress testing, life and long-term care insurance



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analysis, health care planning, disability needs analysis, portfolio tax gain and loss review, beneficiary audit, guidance for basic estate documents, and net worth statement.

Advanced Financial Plan – These plans will include Comprehensive Financial Plan elements plus concentrated stock positions solutions, withdrawal strategies, stock options analysis, large purchase funding, lending and financing analysis, RMD planning and execution, property and casualty analysis, creditor protection, tax optimal withdrawal strategies, ROTH conversion strategies, Form 1040 and Form 1041 analysis, CPA coordination, detailed estate flow analysis, charitable gifting strategies, college education planning, gifting strategies, lifestyle change and relocation analysis, caring for aging parents, what-if scenarios, self-employed income and retirement planning.

Specialized Financial Plan – These plans are typically in addition to one of the other Financial Plans but that have specific objectives, such as Alternative Investment strategies, strategies for irregular cash flow, complex insurance trust strategies, passive income analysis, business and real estate purchase and sale analysis, like-kind exchange analysis, estate tax mitigation strategies, private foundation and endowments, generation transfer planning, special needs planning, family financial counseling and education, buy/sell agreement analysis and business use of insurance, business cash flow and debt restructuring analysis, and business transition options and timing analysis.

iii. Investment Management Services

Advisor describes its investment philosophy as a balance of assertive investments with risk mitigation. Advisor believes that sustained growth generally occurs through stock, mutual fund holdings, and exchange traded funds that include a variety of stock classes including growth stocks and value stocks in large, medium, and small companies in the United States, international companies in countries with established economies, and international companies in emerging economies around the world. Risk mitigation is achieved through diversification among these types of stock holdings, as well as through investments in bonds and other securities, such as commodity holdings.

Advisor believes that this general philosophy applies to all investors, whether young and new at investing or receiving social security in retirement. However, Advisor seeks to adapt this philosophy, as appropriate, based on Client situations and preferences. Advisor will tailor investment services to the individual needs of the Client. This may result in clients in more conservative situations with a higher portion of their portfolios in US and international bonds, or real estate funds, as their preferences may dictate. Also, clients may impose restrictions on investing in certain securities or types of securities.

Advisor often uses mutual funds with holdings in the various categories of investments in order to achieve diversification. Advisor believes management by mutual funds and institutional money managers in accordance with their stated objectives assists with optimal diversification. However, clients may hold individual stocks and bonds in their accounts, if they prefer. In fact, for some clients, advisor will utilize stock and options



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strategies to supplement income in accounts. These may include the purchase of covered calls and the sale of cash secured puts.

Among mutual funds, Advisor seeks to identify those funds that perform well compared to other funds in their respective asset classes. Advisor uses resources such as LPL Research and other industry software to evaluate available mutual funds based on performance, minimum investment requirements, and availability for Client accounts. Advisor uses a variety of tools for analysis of stocks, bonds, and general market conditions.

Advisor offers clients access to a variety of investment advisory programs offered by LPL. These offerings are considered Wrap Fee programs (Wrap Programs) and require a client to also sign an advisory agreement for any accounts participating in these programs. Typically, the investment management fee paid by the client to Aloft Financial covers the LPL administration fees for these services. Hence the term Wrap Fee. Note, however, that if institutional money managers in the program charge separate management fees, those are paid in addition to the investment management fees charged by the Advisor. Those money manager fees may not be “wrapped” into the Advisor’s investment management fee. Note that some of the money managers charge separate fees and some do not. The Advisor will work with the client to determine the best programs and approach within these programs. Clients will be provided with information about any of the investment advisory programs and money managers within those programs as part of the investment management strategies on which Advisor collaborates with the Client. Below is summary of the investment advisory programs offered through LPL. Supplements providing additional detail have been included for each program.

Managed Wealth Portfolios (“MWP”) - MWP is a unified managed account program in which LPL and Advisor provide ongoing investment advice on a discretionary basis. Advisor obtains the necessary financial data from the client, assists the client in determining the suitability of the program and assists the client in setting an appropriate investment objective. Advisor selects one or more model portfolios of securities (each, a “Portfolio”) designed by LPL’s Research Department, a third-party investment strategist, or Advisor consistent with the client’s stated investment objective. These Portfolios may contain mutual funds, exchange-traded funds (“ETFs”), exchange-traded notes (“ETNs”), closed-end funds, equities, or fixed-income securities. Advisor provides ongoing advice on the selection or replacement of a Portfolio based on the client’s individual needs and may choose more than one Portfolio to be managed within a single MWP account. A Portfolio also may be comprised of one or more underlying models.

Clients grant Advisor discretion to choose among the available models designed by the Portfolio Strategists. Portfolio Strategists are responsible for selecting the securities within a Portfolio and for making changes to the securities selected. Each Portfolio



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Strategist provides its model portfolio to LPL, and LPL makes the decisions on how to implement the model on behalf of clients.

Clients should review the MWP Program Brochure for more detailed information about this program.

Guided Wealth Portfolio (“GWP”) - The GWP Program offers clients the ability to participate in a centrally managed investment program, which is made available to Client through LPL’s Account View a web-based, interactive account management portal (“Account View”) and through Advisor. In the Program, LPL generates investment recommendations based upon model portfolios constructed by LPL and selected for the Account (such model portfolio selected for the Account, the “Model Portfolio”). The Model Portfolios have been designed and are maintained by LPL Research (the “Portfolio Strategist”) and include a list of exchange-traded funds (“ETFs”) holdings and may in the future include open-end mutual funds (“Mutual Funds”) holdings (collectively, (“Program Securities”), and include relative weightings and a list of potential replacement securities for tax harvesting purposes. LPL Research currently serves as the sole Portfolio Strategist and does not charge a fee for its services. Only one Model Portfolio is permitted per Account. Client acknowledges and agrees that communications concerning the Program are intended to occur primarily through electronic means (including but not limited to, through email communications or through Account View), although Advisor will be available to discuss investment strategies, objectives or the Account in general in person or via telephone. Advisor can provide Client with information regarding other LPL investment programs if Client would prefer more frequent personal interactions with their Advisor.

Clients should review the GWP Program Brochure for more detailed information about this program.

Optimum Market Portfolios (“OMP”) - The OMP Program offers clients the ability to participate in a professionally managed asset allocation program using Optimum Funds Class I shares.

Under the Program, Client authorizes LPL and Advisor on a discretionary basis to purchase and sell Optimum Funds pursuant to investment objectives chosen by Client and to liquidate previously purchased securities. There are up to six Optimum Funds that may be purchased within the Account: Optimum Large Cap Growth Fund, Optimum Large Cap Value Fund, Optimum Small-Mid Cap Growth Fund, Optimum Small-Mid Cap Value Fund, Optimum International Fund and Optimum Fixed Income Fund. Checks for funds to be invested in the Account should be made payable to LPL Financial LLC. Advisor will obtain the necessary financial data from Client, assist Client in determining the suitability of the Program and assist Client in setting an appropriate investment



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objective. Client understands that the investment objective selected for the Account in the Account Application is an overall objective for the entire Account and may be inconsistent with a particular holding and the Account's performance at any time. Client understands that achievement of the stated investment objective is a long-term goal for the Account.

Advisor will initiate the steps necessary to open an Account and select a portfolio consistent with Client's stated investment objective. Once the Advisor has selected a portfolio and the Program minimum has been reached, LPL will purchase Optimum Funds in amounts appropriate for the portfolio selected. LPL will review the Account to determine if rebalancing is appropriate based on the frequency selected by Client at account opening or as altered by the Advisor from time to time. The choices for frequency of rebalancing are quarterly (four times per year), semiannually (two times per year) or annually (once per year). The Account will be reviewed on the frequency selected based on the anniversary date of the Account opening or as altered by the Advisor to determine if rebalancing is necessary. An additional rebalance may be requested outside of the scheduled frequency once every 12 months.

Clients should review the OMP Program Brochure for more detailed information about this program.

iii. Financial Consulting Services

Advisor may provide specific or targeted Financial Consulting Services to clients based on a specific scope of service as defined between the client and Advisor. These may include Specialized Financial Planning. Any such projects may be defined through written or verbal instructions including via email or telephone conversations.

- c. As of December 31, 2025, Aloft Financial has \$11,000,000 of assets under management on a discretionary basis and \$0 assets managed on a non-discretionary basis.

Item 5: Fees and Compensation

a. Financial Planning Services

Financial Planning Services are provided at an hourly fee not to exceed \$400 per hour plus any costs paid to leverage services provided by LPL. In an effort to assist Financial Planning Clients to anticipate fees for this service, Advisor will limit total fees charged to the client for this service, as follows

Initial fee limit for 12-month engagement

Core Plan - \$1,250; Comprehensive Plan - \$3,000; Advanced Plan - \$6,0000



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Existing Plan Update Fee

Core Plan - \$600; Comprehensive Plan - \$1,200; Advanced Plan – \$2,800

The Financial Planning Fee is collected in arrears upon the delivery of the Client’s Financial Plan. Upon delivery of the Financial Plan, Advisor will provide an invoice detailing the time spent on the Financial Plan by staff of the Advisor, as well as any costs paid to LPL for services provided by LPL. The invoice will be subject to the fee limits disclosed above. The Existing Plan Update Fee limits above will be applied to invoices in subsequent years to time and costs spent reviewing and updating those plans, as agreed upon with the Client. The Existing Plan Update Fee will also be invoiced in arrears of services provided. The Advisor may, at its option, offer Financial Plan Services to Clients at reduced fee levels. For example, Advisor may provide certain reports for no charge to Clients who receive Investment Management Services and have at least \$1,500,000 in assets under management. Financial Planning fees are negotiable.

Financial Planning services are often offered in conjunction with Investment Management services as part of our Wealth Management services. Financial Planning services often take into consideration assets and information beyond the scope of Investment Management services provided by the Advisor. Note that time spent managing any assets by the Advisor for Investment Management services of the Client will not be included in time allocated or billed for Financial Planning services. As payment on invoices for Financial Planning services, Clients may pay with cash, check, ACH, credit cards, and other electronic payments such as Venmo and Zelle.

b. Investment Management Services

As an investment advisor, Advisor manages Client accounts for a percentage of the assets under management. Advisor charges a fee based Client’s assets under management according to the following scale:

Value of Client accounts managed by Advisor	Annual Percent fee on each Tier
Tier 1 - Asset value up to \$299,999	1.15%
Tier 2 - Asset values \$300,000 to \$999,999	1.00%
Tier 3 -Asset values \$1,000,000 to \$1,999,999	0.85%
Tier 4 - Asset values \$2,000,000 and over	0.75%

The fees cover program fees charged by LPL Financial for participation in the MWP, GWP, and OMP programs. Client shall bear transaction costs on securities, if any. If Client has more than one account under the advisement of Advisor, the Advisor may elect at its sole discretion to aggregate Client accounts for purposes of computing management fees and for choosing from which accounts to debit fees. Investment Management fees will be charged in advance, unless otherwise stipulated by the custodian, upon establishment of the value of the portfolio. Initial fees are based upon



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the proportion of the number of days remaining in the quarter. Thereafter, fees for each calendar quarter are based on the account balances provided by the custodians on the last business day of the prior quarter. Advisor may combine the first partial quarter with the first subsequent full quarter for initial billing purposes. Should a client have assets under management with the Advisor that are less than \$1,000, Advisor shall not bill that client until such time as the Client's assets under management exceeds \$1,000. If an account does not contain sufficient funds to pay Investment Management Fees, the Advisor has limited authority to sell or redeem securities holdings in sufficient amounts to pay Investment Management fees. At the time Investment Management Fees are billed to accounts, Advisor shall also send a billing memorandum to clients detailing the amounts billed. Management Fees will be deducted directly from client's assets for custodians that have an arrangement with the Firm. For the Wrap Programs, LPL will deduct the Management Fees from client accounts. Managements Fees for assets with other custodians may be billed directly to the client. If Client wishes to terminate association with the Advisor - and the Client can do so at any time- any prepaid fees will be promptly refunded to the Client on a pro-rated basis based on the number of days the account was managed during the billing period. If the Client does not automatically receive the refunded amount promptly, they may request the refund via email or phone call to the Advisor. Advisor may, at its option, offer Investment Management Services to Clients at reduced fee levels. Investment Management Fees are negotiable.

c. Fees for Financial Consulting Services and Specialized Financial Plans

Advisor may bill for each hour spent in providing Financial Consulting Services and Specialized Financial Plans at a rate not to exceed a maximum rate of \$400 per hour for any additional hours. This fee is collected in arrears upon the delivery of the information requested by the Client or upon delivery of project deliverables as agreed upon between the Advisor and the Client. Advisor may, at its option, offer Financial Consulting Services and Specialized Plans to Clients at reduced fee levels. Financial Consulting Fees are negotiable. As payment on invoices for Financial Consulting Services and Specialized Financial Plans, Clients may pay with cash, check, ACH, credit cards, and other electronic payments such as Venmo and Zelle.

d. Fee Notification

Advisor will send the client a written invoice, including the fee, the formula used to calculate the fee, the fee calculation itself, the time period covered by the fee, and, if applicable, the amount of assets under management on which the fee was based. Also, the Adviser will include the name of the custodian(s) on your fee invoice. The Adviser will send these to the client concurrent with the request for payment or payment of the Adviser's advisory fees. We urge the client to compare this information with the fees listed in the account statement. Those fees will be calculated, billed, and reported by LPL in accordance with SEC regulations applicable to LPL.



e. Sales Compensation

Neither the Advisor nor any Supervised Persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges nor services fees from the sale of mutual funds. Consequently, when Advisor recommends mutual funds, Advisor will seek competitive funds with the lowest charges, including “no load” funds. Clients have the option to purchase products recommended by the Advisor through other brokers or agents not affiliated with the Advisor.

f. Disclosure Brochure

If the client is not provided a copy of this Brochure within forty-eight hours of entering into an advisory contract, the client may terminate the advisory contract within 5 business days of entering into the contract without penalty.

Item 6: Performance Based Fees and Side by Side Management

Aloft Financial does not charge fees based on performance. Consequently, side by side management is not an issue for Aloft Financial.

Item 7: Types of Clients

Aloft Financial generally provides investment advice to individuals, family businesses, corporations, not-for-profit and professional organizations, pension and profit-sharing plans, trusts, and estates. Advisor has no requirements for opening or maintaining an account.

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

a. Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. Clients accept that past performance of investments recommended by Aloft Financial should not be construed as an indication of future results, which will prove to be better or worse than past results. Client investments will go up or down, depending on market conditions. Advisor makes no promises, guarantees or warranties that any of its services will result in a profit to the client. Clients may rely on information furnished by us to be reasonably accurate and reliable. The use of covered call options and cash secured puts may increase earnings risks. Also, frequent trading of options can result in additional trading costs and transaction fees.

b. Methods of Analysis and Investment Strategies

Aloft Financial uses a variety of tools and methods for analysis. These may include charting, technical analysis, and fundamental analysis. Main sources of information used in this process are derived from financial newspapers and magazines, research materials prepared by others, corporate rating services, and regulatory filings and information. Note that each method of analysis has benefits and risks. For instance, charting and technical analysis analyze historical stock price patterns in an attempt to discern future price trends. However, fundamental information such as new strategic



direction or unexpected changes to the business can upend technical analysis. Conversely, relying on fundamental analysis to determine value does not guarantee that the markets will reflect that value for a company and increase stock prices.

Investment strategies are developed based on security analysis, market analysis and recommendations tailored to the best interest of each individual client.

C. Risks Associated with Various Types of Investments

i. Risks Associated with Stocks

Every type of investment carries some degree of risk, and stocks are no exception. Here are some of the common risks associated with stocks.

Stock Volatility Risk

If you've seen the jagged lines on charts tracking stock prices, you know that stock prices fluctuate daily and over longer terms, sometimes dramatically. The size and frequency of these price fluctuations are known as the stock's volatility. Volatility can be an important measure of investment risk—both market-wide and for an individual stock. A common measure of a stock's volatility relative to the broader market is known as the stock's beta, which is how a stock's volatility compares to the market as a whole. A stock that has a beta above 1.0 means it is more volatile than the overall market. Generally, growth stocks tend to be more volatile than value stocks.

Economic and Business Risk

Frequently, events in the economy or the business environment can affect an entire industry. For example, it's possible that high gas prices might lower the profits of transportation and delivery companies.

Inflation Risk and Interest Rate Risk

These two risks can operate separately or in tandem. Interest rate risk, in this context, simply refers to the challenges that a rising interest rate causes for businesses that need financing. As their costs go up with interest rate increases, it becomes harder for them to stay in business. If rates climb during a time of inflation—which often happens since increasing interest rates is a tool the Federal Reserve commonly uses to fight inflation—then a company might see its financing costs climb as the value of the dollars it's bringing in decreases.

Investor Sentiment Risk

Sometimes an entire industry might be in the midst of an exciting period of innovation and expansion and becomes popular with investors. Other times that same industry could be stagnant and have little investor appeal. Like the stock market as a whole, sectors, industries and individual companies tend to go through cycles, providing strong performance in some periods and disappointing performance in others.

Media Risk

Growth companies in particular often receive intense media and investor attention, and their stock prices may be higher than their current profits seem to warrant. That's because investors are buying the stock based on potential for future earnings, not on a



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history of past results. If the stock fulfills expectations, even investors who pay high prices might realize a profit. If not, the stock's price might decline dramatically.

Rating Risk

Any changes to analyst ratings on a company's stock (from a "buy" to a "sell," for instance) has the potential to impact the stock's price. It's possible a ratings shift, whether negative or positive, causes a price swing more pronounced than might seem justified by the events that led the ratings change. It can take time for the market to digest such ratings news.

Obsolescence Risk

This is the risk that a company's business is going the way of the dinosaur. Very few businesses live to be 100, and none of those reach that ripe age by keeping to the same business processes they started with. The biggest obsolescence risk is that someone will find a way to make a similar product at a cheaper price.

Detection Risk

Detection risk is the risk that the auditor, compliance program, regulator or other authority will find problems, the proverbial skeletons in the closet. With detection risk, the damage to the company's reputation might be difficult to repair; and it's even possible that the company will never recover if the financial fraud was widespread.

Legislative or Regulatory Risk

This is the risk that government actions such as new legislation or a new regulation will constrain a corporation or industry, thereby adversely affecting an investor's holdings in that company or industry. This can include an antitrust suit, new regulations or standards, specific taxes and so on. For example, a new rule changing the review process for prescription drugs might affect the profitability of all pharmaceutical companies.

Penny Stock Risk

Microcap securities, sometimes referred to as penny stocks, include low-priced securities issued by small companies with low market capitalization. These securities are primarily traded on the over-the-counter (OTC) market. While microcap companies can be real businesses developing or offering products or services, the microcap sector has a long history of bad actors engaging in price manipulation and other fraud. However, even in the absence of fraud, microcap stocks can present higher risks than the stock of larger companies. This is largely because relatively little information is available about microcap companies compared with larger companies that list their securities on national exchanges.

ii. Risks associated with Bonds

Like other investments, when you invest in bonds and bond funds, you face the risk that you might lose money. Here are some common risk factors to be aware of with respect to bonds.

Interest Rate Risk (or Market Risk)



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This is the risk that changes in interest rates—in the U.S. or other world markets—may reduce, or increase, the market value of a bond you hold. Interest rate risk increases the longer you hold a bond.

Opportunity Risk

This is the risk that a better opportunity will come around that you may be unable to act upon. The longer the term of your bond, the greater the chance that a more attractive investment opportunity will become available, or that any number of other factors may occur that negatively impact your investment. This also is referred to as holding period risk.

Duration Risk

This risk is associated with the sensitivity of a bond's price to a 1 percent change in interest rates. Duration, which is stated in years, signals how much the price of your bond investment is likely to fluctuate when there's an up or down movement in interest rates. The higher the duration number, the more sensitive your bond investment will be to changes in interest rates.

Call Risk

This is the risk that a bond may be redeemed by an issuer when interest rates are falling (similar to when a homeowner seeks to refinance a mortgage). This is a risk for bonds that include a call provision or are "callable." Investors can avoid call risk by purchasing non-callable bonds. Call risk also leads to reinvestment risk (see below).

Refunding Risk

Some bonds (often including those issued by industrial and utility companies) contain sinking fund provisions, which require a bond issuer to retire a certain number of bonds periodically. This can be accomplished in a variety of ways, including through purchases in the secondary market or forced purchases directly from bondholders at a predetermined price. That latter method is referred to as refunding risk. Refunding risk also leads to reinvestment risk (see below).

Reinvestment Risk

This is the risk that no available investments will be able to provide a similar return to a bond that has been called or mandatorily refunded.

Credit Risk (or Default Risk)

This is the risk that a bond issuer will fail to make interest payments or to pay back your principal when your bond matures. Other than U.S. Treasury securities, which are generally deemed to be free of default risk, most bonds face some degree of credit risk, which is often indicated by a bond's credit rating. You can research and compare bond credit ratings through nationally recognized statistical rating organizations (NRSROs). Learn more about the differences between investment grade and high-yield bonds.

Inflation Risk (or Purchasing Power Risk)

This is the risk that the yield on a bond will not keep pace with purchasing power. For instance, if you buy a five-year bond in which you can realize a coupon rate of 5 percent but the rate of inflation is 8 percent, the purchasing power of your bond interest has



declined. All bonds but those that adjust for inflation, such as TIPS, expose you to some degree of inflation risk.

Liquidity Risk

This is the risk that you won't be easily able to find a buyer for a bond you need to sell. A sign of liquidity, or lack of it, is the general level of trading activity. A bond that's traded frequently is considerably more liquid than one which only shows trading activity intermittently. You can check corporate bond trading activity—and thus liquidity—with FINRA's Market Data Center.

Event Risk

This is the risk that than an event, such as a merger, acquisition, leveraged buyout, major corporate restructuring or other event might result in changes in a company's financial health and prospects, which might trigger a change in a bond's rating. Event risk is extremely hard to anticipate and might have a dramatic and negative impact on bonds.

Sovereign Risk

A country's unique set of risks is known collectively as sovereign risk. A nation's unique political, cultural, environmental and economic characteristics are all facets of sovereign risk. Default risk is real in emerging markets, where the sovereign risk (such as political instability) could result in the country defaulting on its debt.

Currency Risk

This is the risk that a change in the exchange rate between the currency in which your bond is issued—euros, say—and the U.S. dollar can increase or decrease your investment return. The impact of currency risk can be dramatic. It can turn a gain in local currency into a loss in U.S. dollars, or it can change a loss in local currency into a gain in U.S. dollars.

iii. Risks Associated Mutual Funds

Because most mutual funds offer a level of built-in diversification, they're typically considered a lower risk investment. However, as with all investments, there are still risks involved, and mutual fund returns aren't guaranteed. Mutual funds also assume some of the risks of the assets that they hold, so be sure to brush up on the risks of those asset classes as well before you invest.

Inflation Risk

Inflation rates can impact the overall purchasing power of your investment. Increases in inflation rates and the cost of living may erode your purchasing power and reduce your overall returns.

Interest Rate Risk

In particular, interest rate fluctuations can impact bond prices. Rising interest rates, for example, cause bond prices to decline, which might also lead to a decline in the value of mutual funds with significant bond investments.

Liquidity Risk



While investors can trade individual securities throughout the day, mutual funds are typically priced and traded only once daily, at the end of the day. Even if you enter a trade early in the day, the price you ultimately receive may be higher or lower depending upon the NAV at the time of actual execution.

Market Risk

Mutual fund performance is based upon the performance of their underlying investments; therefore, changing market conditions can impact principal and returns.

iv. Risks Associated with Options

Trading options can come with significant risks. These risks vary greatly based on whether you're buying or selling options and can include significant risk of loss beyond your initial investment.

That's in part because options can provide leverage. For a premium that's small relative to the underlying security or index, investors can gain exposure to a relatively large contract value since one contract equates to 100 shares of the underlying asset. On the upside, investors can see a large percentage gain from small percentage moves in the underlying asset. But this leverage can be magnified to the downside as well.

The risks of buying and selling options are covered in detail in the Characteristics and Risks of Standardized Options—a disclosure document that brokerage firms are required to distribute to options customers—but below is also a brief overview.

Risks to Purchasers

Expiration Risk: In-the-money options contracts are generally automatically exercised at expiration. But to exercise a call option, the owner of the contract must have the funds to do so. Because one options contract is tied to 100 shares of stock, exercising a call can require substantial funds. For a contract with a strike price of \$100, the owner of a call would need \$10,000 to exercise.

Risks to Sellers

Assignment Risk: The seller of an options contract may be assigned and required to fulfill the terms of the contract by either selling or buying the underlying security at the strike price. For the sellers of equity options, assignment can happen at any time.

Dividend Risk: There is a higher risk of assignment the day before a stock's ex-dividend date, the date a stock begins trading without the value of its dividend payment included in the price. This is because holders of in-the-money positions might exercise early to benefit from that payout. The same risk exists for other corporate actions that might impact the price of the underlying security, such as a merger or acquisition.

Margin Risk: There are margin requirements related to some short options positions. If the value of the underlying security moves against the seller of that position, or if there is significant volatility in the underlying security or related markets, the investor might be required to deposit significant additional funds. If those funds are not deposited, the firm has the right to liquidate the options position and other securities positions without notice. There are also margin risks that relate to being an options holder.



V. Risks Associated with Alternative and Emerging Products

Given the variety of alternative and complex investment products available, it should come as no surprise that risks will vary from one product to another. A product's risks tend to be outlined in disclosure documents (prospectuses and offering circulars) and in sales literature. Reading and understanding these documents and the disclosed risks is important to do before you make any investment.

Here are some of the risks you might encounter with these investments:

Liquidity Risk

As is the case with virtually all structured products and many high-yield bonds, secondary trading, which is your ability to trade out of the product, is generally limited. That means the products can be illiquid, and you may be unable to sell or only able to do so at a significant loss.

Strategy Risk

Some products, such as alt funds, carry additional risks from the strategies they use. For example, market-neutral funds tend to have significant portfolio turnover risk that can result in higher costs. Similarly, a distressed bond fund is likely to have significant credit risk.

Performance Risk

Many of these products offer the potential for better performance (higher returns) than traditional investments. However, the risk/return relationship bears repeating: With the promise of higher returns comes higher risk.

Concentration Risk

No matter how appealing an investment might be, it's important to stay diversified, not only across and within the major asset classes, but also across a variety of investment products—especially if those products might be new to you. Alternative and emerging products are generally used to supplement traditional investments.

Disclosure Risk

Certain products, such as private placements, may have fewer disclosure obligations than more traditional investments, which can translate into limited information for investors.

In addition, because fees are often high with alternative and emerging products, they can erode, and even evaporate, gains. Make sure you understand all costs and fees before you invest.

vi. Risks Associated with Annuities

Both immediate and deferred annuities can be either fixed or variable, which changes the risk profile of your investment.

Company or Credit Risk

With all annuities, investors should remember that the annuity is only guaranteed as long as the insurance company issuing it remains in business, so you'll want to be sure you're comfortable with the issuer, not just the product itself. Companies such as Standard & Poor's provide ratings of insurance companies.



Inflation Risk

Payments in a fixed annuity typically don't have cost-of-living adjustments to keep pace with inflation, so the purchasing power of the money you receive in your payments may decline over time. Annuities with inflation protection can be purchased, but the cost, in general, is significantly higher.

Interest Rate Risk

Because the interest rate of a fixed annuity may change after an initial fixed period, your returns may end up paying you less over time. Read your contract to understand how and when your interest rate changes might occur. Additionally, whenever you lock in a rate, whether with a fixed deferred annuity or a CD, you face the risk that you'll miss out in the event interest rates move up.

Liquidity Risk (or Withdrawal Risk)

Many annuities have set holding periods and surrender charges for those who want to withdraw their cash early. And even if you manage to skip the surrender charge, you still may face a steep tax penalty for certain withdrawals made prior to age 59 ½.

Death Risk

Whether an annuity will continue payments to a beneficiary after your death depends upon the type of annuity and its specific provisions. Even if you only receive a few payments under an annuity contract, the insurance company may not be obligated to continue payments to your spouse or refund your premiums to your estate. Variable annuities typically include a death benefit; however, other types of annuities may not provide any financial guarantee. You may be able to purchase a rider to allow your beneficiaries to receive some money from the annuity.

vii. Risks Associated with Bank Products

While bank products are generally low risk, no investment is risk-free. Understanding the risks associated with bank products can help you plan how best to meet your financial goals.

Inflation Risk

This is the risk that the yield on your bank products will not keep pace with inflation. If the interest rate for your money market account is lower than the inflation rate, for example, your money might not be worth as much as you anticipated and could actually lose value over time.

Liquidity Risk (or Withdrawal Risk)

This is the risk that you won't have easy access to funds when you need it. This risk applies to money invested in CDs. If you purchase a five-year CD and find that you unexpectedly need the money in year three, for example, you may face a significant penalty for withdrawing prior to the maturity date. Penalty rates vary. Purchasing CDs with shorter terms or lower early withdrawal penalties can minimize this risk.

Interest Rates and Fees

Because interest rates fluctuate, the impact of investments in these products can vary as well. You could end up locked into a rate for a CD that will pay you less than



current market rates at the time of maturity. Or, on the flip side, you could see your money market account's initially low interest rate increase if a bank decides to raise interest rates in response to a rising market overall.

Fees can also affect the net yield of bank products. In addition to early withdrawal penalties associated with CDs, excess withdrawal fees, maintenance fees and other charges can quickly eat away at your savings. Know the costs associated with savings and money market accounts and CDS before you invest in order to avoid unexpected deductions.

viii. Exchange Traded Funds

Exchange Traded Products ("ETPs"), such as Exchange Traded Funds (ETF's) and Exchange Traded Notes ("ETNs") can provide diversification, flexibility and exposure to a wide array of markets at a relatively low cost. In addition, asset types and investment strategies previously only available to more sophisticated investors have been increasingly made available more broadly to investors through ETPs. But as is the case with any investment product, it pays to be informed and understand the risks before making any financial decisions.

ETPs also assume the risks of the underlying assets in which they invest, such as commodities and bonds. For more on asset class-specific risks, review the appropriate investment product information.

Call Risk

Some ETNs are callable at the issuer's discretion. In some instances, ETNs can be subject to early redemption or an "accelerated" maturity date at the discretion of the issuer or one of its affiliates. Since ETNs may be called at any time, their value when called may be less than the market price that you paid or even zero, resulting in a partial or total loss of your investment.

Credit Risk

As unsecured debt instruments, ETNs don't hold any underlying assets. Therefore, their value is tied to the strength of the issuer. If the issuer defaults on the note, you might lose some or all of your investment.

Liquidity Risk

ETPs are exchange-traded, but they do carry some liquidity risk. With thousands of available ETPs, not all will have the same level of marketability, and trading volume can impact their liquidity. Sometimes, an ETP may have wide bid-ask spreads or may trade at a large premium or discount to its value, depending on a product's trading volume and other market factors. And if an ETP is delisted from its listing exchange and limited to over-the-counter quotation, liquidity can dry up.

Market Risk

ETPs are market-linked products and, just like any stock, can increase or decrease in price. Market fluctuations and volatility can affect your investment returns. Other factors, such as those related to socioeconomic and political risks, might also impact



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market pricing. Know what the index being tracked by a particular ETP is measuring and the trading strategies it uses.

Redemption Risk

Some ETNs may be called at the issuer's discretion, meaning they can be subject to early redemption or an accelerated maturity date. This could lead to a loss if the value of the ETN when called is less than the market price you paid. Other ETPs may be liquidated for various reasons as well, which in some cases can occur with little warning.

Tax Risk

Some ETPs offer greater tax efficiencies than others. Understand the tax implications of any investment product you're considering, and consult a tax professional if you're uncertain about how you might be affected.

Tracking Risk

Most ETPs are designed to track the performance of an underlying index; however, sometimes their performance may diverge. So-called "tracking error" occurs when the returns of the ETP deviate from the returns of its underlying benchmark, which can impact investor performance (either negatively or positively). An ETP's price also might diverge significantly from the underlying value of its portfolio if, for example, there's a disruption in the share redemption or creation process.

Other Risks

In addition to the risks noted above, ETPs that invest in bitcoin or other crypto assets, whether in the "spot" or in futures, might face additional risks associated with crypto assets. Apart from significant volatility, these include risks related to the potential for fraud or manipulation in the underlying market, on crypto asset trading platforms and with the infrastructure of crypto asset markets.

Item 9: Disciplinary Information

The firm and its principals have not been involved in any material legal or disciplinary events.

Item 10: Other Financial Industry Activities and Affiliations

a. Tax and Accounting Services

Certain principals of Aloft Financial are CPAs and may charge separately for those services, including bookkeeping, payroll, and tax services and including certain accounting services offered through Northwest Tax Choices LLC, a company affiliated with the Firm. This relationship does not present a material conflict with clients of the Advisor. Depending on the relationship with the client, tax and accounting services may be offered directly by the Advisor or through Northwest Tax Choices LLC.

b. Insurance Services

Certain principals of Aloft Financial are licensed life insurance agents and may be compensated directly by insurance companies for insurance contracts sold to clients.



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c. Material Conflicts

The sale of insurance by Advisor creates a conflict of interest since a commission is paid on the sale of insurance to clients. This risk is mitigated through disclosure of the commission arrangement to the client and with analyses showing the long-term benefits of such insurance. Typically, financial planning software can show potential benefits of various types of insurance over time, including long-term care and whole life insurance. However, purchasing insurance creates certain risks for Clients who aren't able to maintain premium payments or Clients who take loans in excess of cash surrender values. Advisor will work with Clients to disclose, assess, evaluate the benefits and risks of insurance in an effort to mitigate the conflict of interest associated with the sale of insurance.

d. Other Affiliations

Neither Advisor nor any management persons is registered nor has a pending registration with a broker dealer, or to be a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities. Advisor has no compensation arrangement with other advisers.

Item 11: Code of Ethics Summary, Participation or Interest in Client Transactions and Personal Trading

a. Our Pledge to Our Clients

- 1) We will always put the client's best interest first — ahead of our own and that of our firm and its employees. As defined by federal law, we will each act as a fiduciary.
- 2) When selecting investments, We will act as the client's agent, seeking the best investments at the best prices at all times.
- 3) While neither We nor anyone can promise superior investment returns, We will provide impartial advice and act with skill, care, diligence and good judgment.
- 4) We will provide full and fair disclosure of all important facts, including any compensation from the providers of the products and services We offer, as well as all fees We pay to others on your behalf.
- 5) We will fully disclose and fairly manage, in the client's favor, unavoidable conflicts.

An entire copy of the Aloft Financial LLC Code of Ethics is available upon request.

b. Securities with a Material Financial Interest

Advisor does not recommend to clients, or buys or sells for client accounts, securities in which the Advisor or a related person has a material financial interest.



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c. Participation or Interest in Client Transactions and Personal Trading

On occasion, Advisor or its representatives may buy or sell securities that are recommended to clients. There is no conflict of interest as the securities are widely held and publicly traded and Advisor is too small an advisor/investor to affect the market. In addition, Advisor always places client interest before its own interests. Please see additional discussion in Item 8.

Clients should be aware that a conflict exists between the interest of the Aloft Financial and the interests of the clients; and the client is under no obligation to act upon the Firm's recommendations. If the client elects to act upon any of the recommendations, the client is under no obligation to affect the transaction through the Firm.

d. Timing of Client Transactions and Personal Trades

A material conflict exists if Advisory recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that the Advisor or a related person buys or sells the same securities for the Advisor's own (or the related person's own) account. Advisor coordinates with custodians that manage trades in order to ensure that clients receive best execution of such transactions on any specific day such transactions occur.

Item 12: Brokerage Practices

a. Research and Other Soft Dollar Benefits

Advisor recommends LPL Financial Corporation for Client accounts based on 1) the availability to the clients of thousands of stocks, bonds, and mutual funds; 2) low transaction fees; 3) securities research available to the client and the firm; and 4) online Client access to accounts. Advisor also maintains a relationship with Charles Schwab. For College Funding 529 Plans, Advisor recommends the American Funds CollegeAmerica 529 Savings Plan. 529 Savings Plans typically have a very limited selection of funds available to participants. Advisor prefers the selection of funds in the American Funds CollegeAmerica 529 Savings Plan to other alternatives based on the historical performance of certain funds in that plan. No custodian fees or trade commissions are charged by the Advisor, but the custodian may charge nominal transaction fees for securities transactions. Advisor periodically compares the costs and services of custodians used to those provided by other firms. Although Advisor recommends LPL Financial and CollegeAmerica, Client may select any Broker-Dealer or Custodian they choose. Advisor does not aggregate the purchase or sale of securities among clients and believes there are no additional costs resulting from this practice due to the limited nature of such purchase and sale transactions by the Advisor. We will continue to evaluate the best Custodian options for our clients.

LPL Financial and Charles Schwab provide certain soft dollar benefits, such as limited securities research. Generally, this includes access to research from third parties,



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though both firms also provide proprietary research on select securities. These broker-dealers have relationships with third parties in the financial industry to provide discounts on certain services provided by those third parties. However, these soft dollar research and affiliation benefits do not have a cost. They benefit all clients of the Advisor equally. Furthermore, Advisor believes they do not create a conflict of interest inasmuch as these benefits seem to be the industry standard. For certain accounts, LPL charges the Advisor a Technology Fee, which reduces or eliminates certain charges to clients such as various transaction fees and account maintenance fees. However, this benefit is applied to all clients. College America does not provide any soft dollar benefits to the Advisor.

b. Brokerage for Client Referrals

Advisor does not receive any Client referrals from any broker-dealers recommended by the Advisor.

c. Directed Brokerage

Advisor does not have the relationship ability to direct brokerage, either by requirement to or request from clients. Most of our clients use LPL Financial as a custodian for their accounts. Some use Charles Schwab. None of our clients have accounts managed by us with both custodians.

Clients of the Advisor may reach out to the custodians at any time with regard to a client's account held by the custodian. This includes in the event of severe business disruptions or events that impair the business continuity of the Advisor. Contact information for custodians are included on account statements provided by the custodians. We also include that information here:

LPL Financial (800) 558-7567

Charles Schwab (800) 647-5465

College America (800) 421-4225

Item 13. Review of Accounts

a. Account Review

Advisor reviews accounts on a regular basis. At least monthly, Advisor monitors balances in accounts for significant changes. At least quarterly, Advisor monitors changes in asset allocations based on performance of specific asset classes in accounts, evaluates significant changes in light of market conditions, and makes any appropriate recommendations regarding changes in asset classes. At least annually, Advisor offers to meet with clients to review accounts and update relevant client information. Advisor may perform these services on a more frequent basis in accordance with market conditions, Client requests or needs, or based on amount of the Client's assets under management. These reviews are completed by the Investment Advisor Representatives



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who work with the clients. Note that Advisor has a duty to make reasonable efforts to document and annually update client suitability information.

For Section 529 accounts at CollegeAmerica, Advisor reviews accounts on a quarterly basis in light of market conditions, historical performance, and the age of the student.

b. Reports

Client will receive statements directly from your broker/dealers, mutual funds and other money managers, as appropriate. In addition, for accounts with balances in excess of \$50,000, Advisor may provide Clients with quarterly statements showing investment results. These quarterly reports are generated using Schwab or LPL Financial software. At our option, Advisor also may generate quarterly reports for accounts that are not in excess of \$50,000. These reports are either hard-copy reports mailed to the Client, or electronic reports uploaded for the Client's review.

Advisor uses WealthVision for planning in connection with financial planning services.

Advisor provides a quarterly statement of fees to clients for accounts billed directly by the Advisor.

Item 14: Client Referrals and Other Compensation

Aloft Financial does not compensate related persons or unrelated persons for client referrals. Furthermore, the only economic benefit that the Firm receives for providing advisory services is fees from its clients.

Item 15: Custody

Aloft Financial does not act as a custodian for client assets. Instead, the firm has a relationship with qualified third party custodians, such as LPL Financial and American Funds College Savings Plan. Qualified Custodians send statements either monthly or quarterly to our clients showing account activity and balance. In addition, Aloft Financial may also send statements showing account balances and activity. Clients are urged to always compare the information received from Aloft Financial with the information received from the qualified custodians and to inquire regarding any differences or questions.

Item 16: Investment Discretion

In accordance with the Aloft Financial Advisory Agreement that each client signs, the Firm manages accounts on a discretionary basis. Generally, Advisor works with Clients to establish strategies and positions and communicate with Clients regularly to implement agreed upon objectives. Operating on a discretionary basis enables us to 1) implement these strategies based on a variety of communication methods with our



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Clients; 2) put money to work as it becomes available in accounts; and 3) facilitates rebalancing within accounts in accordance with agreed upon benchmarks.

Typically, clients do not place restrictions on Advisor discretion, but Advisor does work with clients to set objectives and manage discretion in an effort to achieve those objectives.

Item 17: Voting Client Securities

Advisor does not act as Proxy for voting nor does Advisor vote client securities. If a client desires, voting and proxy materials can be received directly from the qualified custodians. Advisor generally does not evaluate or recommend actions on particular solicitations.

Item 18: Financial Information

Since prepayment of fees six months or more in advance is never required by Aloft Financial, this information is not applicable. And although the Firm operates with discretionary authority, there are no financial conditions that are reasonably likely to impair the firm's ability to meet its contractual commitments to clients. Furthermore, the Firm has never been the subject of a bankruptcy petition.

Item 19: Requirements for State-Registered Advisers

a. Officers and Management Persons

Aloft Financial primarily provides services at its main office at 15144 Taliaferro Ln, Doswell, VA 23047. In addition, services may be provided in client homes and businesses, and in public establishments.

The principle executive officer and management person of the Advisor is Ronald D. Schiel, Jr. Please see his formal education and business background in Item 20, below.

b. Other Businesses

Ronald D. Schiel, Jr. spends approximately 50% of his time working with clients at Northwest Tax Choices LLC, a tax and accounting firm.

c. Performance Based Fees

Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client. Neither the Advisor nor any Supervised Persons are compensated with performance-based fees.

d. Disclosure Issues

None of the Officers, Management Persons, or Supervised Persons have been the subject of any disclosure events.



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e. Additional Relationships

Advisor uses LPL Financial, Charles Schwab, and American Funds College America as custodians for client funds managed by the Advisor. Advisor may use Money Guide Pro, Morningstar, Redtail Technology, and Levitate Inc for providing additional services to clients.



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Item 20: Background of Management Persons

a. Ronald D. Schiel, Jr.: Born 1964; BS and MS in Accounting from Brigham Young University in 1990; California CPA License 1995; District of Columbia CPA License 1995; Washington CPA License 2003; Virginia CPA License 2008; Series 7 2002; Series 66 2002; Insurance License 2002; Since 2002, Mr. Schiel has sold securities, mortgages, and insurance as well as provided Investment Advisory services through UBS Financial Services (2002 to 2004); has sold mortgages through Family Financial Solutions (2004) and Clarion Mortgage (2004 to 2006); provided CFO services to Iron Track Technology and affiliated companies (2004 to 2006); provided investment advisory, tax consulting, and insurance products through Northwest Financial Choices LLC (2004 to June 30, 2025); provides investment advisory and insurance products through Aloft Financial LLC (2024 to present), and provides tax, bookkeeping, and payroll services to clients through Northwest Tax Choices LLC. Mr. Schiel may spend up to 50% of his time on non-Advisory clients.