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Wrap Fee Program Brochure

Form ADV Part 2A Appendix 1

This wrap fee program brochure ("Brochure") is meant to help you understand the nature of your investments and the business practices of Upside Financial, LLC ("Upside" or "we"). You should review it carefully. Upside, a limited liability company organized under Delaware law, is an SEC Registered Investment Adviser. Registration does not imply a certain level of skill or training. Its principal office is at 340 Ritch Street, San Francisco, CA 94107.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. If you have any questions about the contents of this Brochure or our Supplements, please contact us at 1-888-506-1850. Additional information about Upside or any of its supervised persons is also available on the SEC's Investment Adviser Public Disclosure ("IAPD") which can be found at www.adviserinfo.sec.gov.

Item 2. Material Changes

Filing date of last annual ADV update: March 3, 2014.

No material changes were made to the disclosure information contained herein.

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Item 4. Services, Fees and Compensation

A. Program description

Upside is a technology-based investment manager and advisor that uses behavioral economics to make personal investing intuitive and accessible. Upside provides advice and investment management through, its website, www.gainupside.com (the "Platform") to its clients ("Clients"). Upside may also, at its sole discretion, from time-to-time, provide advice through additional channels, including, but not limited to, electronic mail, web chat, and telephone (together with the Platform, the "Program"). The Program is the only type of advisory service that Upside currently offers.

When an individual invests in securities, she must first determine what securities to purchase or sell. This process is often done in consultation with an investment advisor such as Upside. When the decision-making process is complete, an order is placed with a broker-dealer to execute the agreed transactions in the securities markets. Investment advisors generally place these orders on behalf of their clients. Many investment advisors charge a fee that covers advisory services but not broker-dealer expenses related to executing trades and keeping custody of client assets. In the typical arrangement, those trading expenses are passed through as an additional charge to the client. A wrap fee program is a common alternative that provides clients with advisory and brokerage services for one all-inclusive management fee with no additional account activity charges.

Upside is organized as a wrap fee program because it is more transparent and simple for our Clients.

B. Upside Wrap Program Fees

Upside's clients pay an all-inclusive annualized wrap fee ranging from 0.25% to 0.50% based on a loyalty points schedule (see Tables 1 and 2 below).

Upside's fees are non-negotiable and cover advisory services, custody of assets, execution and clearing, and account reporting. Upside may, at its sole discretion, offer some accounts with fees that differ from the standard fee schedule. Upside does not charge performance-based fees.

The Program may cost more or less than purchasing such services separately. The factors that bear upon the relative cost of the program include the securities selected, the size of the accounts, the volume of trading, and the loyalty points accumulated.

i. Schedule of fees and loyalty points

As a Client earns more points and reaches pricing break points, her fees will go down. Points are cumulative.

TABLE 1: Schedule of annual fees

Pricing break points	Annual AUM fee
0 to 200,000	0.50 %
200,000 to 499,000	0.45 %
500,000 to 899,000	0.35 %
900,000 or more	0.25 %

Clients can earn points according to the following schedule:

TABLE 2: Schedule of points

Activity	Points earned
For opening of an User Profile	5,000
For creating and funding a Plan	10,000
For enrolling in automatic direct debit	10,000
For referring a friend	10,000
When a referred friend becomes a Client	10,000
For adding a dollar into an active Plan	1
For each consecutive 12 months with an active Account and Plan	50,000

For example, Client A creates a Plan with an initial balance of \$80,000. She would have 105,000 points from the time her Plan was funded. Here's how it works:

- 5,000 points for creating a User Profile
- 10,000 points for creating and funding a Plan
- 10,000 points for enrolling in automatic Direct Debit
- 80,000 points for investing \$80,000

With 105,000 points, Client A would pay a 0.5% annual Fee.

Over the course of the next 12 months, Client A contributes \$10,000 to her first Plan, creates a second plan with \$25,000, and refers two friends who become active Upside Clients. She would have 240,000 points in total. Here's how it works:

- In addition to her 105,000 points, she's earned...
- 10,000 points for \$10,000 into her first Plan
- 10,000 points for starting a second Plan
- 25,000 points for funding her second plan with \$25,000
- 50,000 points for keeping an active account for 12 months
- 20,000 points for referring two friends
- 20,000 points when her two friends become Clients

With 240,000 points in total, Client A would be charged a 0.45% annual Fee from the first full month after her total points exceed 200,000.

ii. Payment of fees

All fees are charged in arrears for services performed. The Fee is calculated based on the average monthly balance in the Client's Account and deducted each month from the Client's Account held at the custodian. Upside may execute transactions related to the funding of the current Fee. Payment of the Fee will be reflected on Client's periodic statements, and it is Client's responsibility to verify the accuracy of Fee calculations.

C. Fund fees and expenses

Clients may also pay other fees or expenses charged by Funds to their shareholders. These fees are separate and distinct from Upside's Wrap Program Fee. Fund fees and expenses are described in each Fund's prospectus. These fees are generally composed of a management fee and other Fund expenses.

D. Additional Compensation

Supervised persons do not accept any compensation for the sale of securities or other investments products.

Item 5 Account Requirements and Types of Clients

Upside provides Services to individuals who are U.S. residents and maintain a checking account with a U.S. banking institution. The minimum Account size is \$5,000.

Item 6 Portfolio Manager Selection and Evaluation

Upside directly manages the portfolios of all clients. The Upside Wrap Fee Program is the only type of advisory services that Upside offers.

A. Methods of Analysis and Investment Strategies Employed

Upside uses Post-Modern Portfolio Theory ("PMPT") to analyze assets and create investment portfolios and Plans that meet its Clients' specific objectives. PMPT is an extension of traditional Modern Portfolio Theory ("MPT", also called mean-variance analysis or "MVA") that incorporates a behavioral-economics definition of investment risk. Both theories propose how investors should use diversification to optimize investment portfolios.

Using PMPT allows Upside to propose investment portfolios and Plans that are specifically designed to reach individual Client goals. PMPT defines investment risk as the downside risk of underperforming a target or goal. The PMPT framework optimizes portfolio asset allocation to achieve a desired target return (called "Upside" or "Upside Return" on the Platform) over a specified time period with the lowest potential exposure to downside risk.

Although the Firm's strategy seeks to minimize downside risk, Upside cannot guarantee a specific level of performance or the avoidance of loss of assets in an Account or Plan.

B. Material Risks to Recommended Strategies

As with any investment strategy, there are risks associated with Upside's asset allocation and investment recommendations. Unlike other investment managers, Upside thinks about risk in terms of your goal (i.e. "downside risk"). There are two components of downside risk: (1) downside probability and (2) downside magnitude.

Downside probability represents that probabilistic likelihood of that the Plan will underperform the desired target return. Downside magnitude is the average magnitude of loss in the event that the Plan underperforms and is represented by "downside return." Downside return is the expected return in the event of underperformance.

The Firm uses measures of the "quantity" of downside risk (technically, "target semi-deviation") and "quality" of risk (technically, the "Sortino Ratio") to construct an indexed "Plan Score." The Plan Score gives Clients a standardized comparison of how well their Plan is expected to perform based on past performance. **Past performance is not a guarantee of future results, and any historical returns, expected returns, or probability projections may not reflect actual future performance.**

Other specific risks that affect a Client are market risk, correlation risk, liquidity risk, credit risk, and legislative risks.

Market Risk: The risk of losses in positions arising from movements in market prices. Market risk arises from a variety of sources, including but not limited to, macroeconomic conditions, consumer sentiment, interest rates, regulatory changes, and other social, demographic or political events. These changes are all outside of Upside's control.

Correlation Risk: The risk associated with having several investments in similar markets. It is possible that different or unrelated asset classes may exhibit similar price changes in similar directions. Upside attempts to manage correlation risk by diversifying assets across markets, geographies, and asset types, but there is no guarantee that correlation risk will not have an adverse affect on Client investment or Plans.

Liquidity Risk: The risk that a given security or asset cannot be traded quickly enough in the market to prevent a loss (or make a profit). Upside relies on its Custodian for trade execution and selects highly-liquid, exchange-traded securities. Nevertheless, high volatility and/or the lack of deep and active markets for a security may prevent immediate or timely execution of a trade.

Credit Risk: The risk that the Firm, Custodian, other trade settlement or clearing intermediary, or any security issuers may encounter impaired credit ratings, default, bankruptcy or insolvency. Credit risk could affect portfolio value or management.

Legislative Risk: The risk that government legislation could alter the business prospects of one or more issuers, adversely affecting investments in those issuers. This may occur as a direct result of government action or by altering the demand patterns of the company's customers. Upside cannot control this risk.

C. Material Risks to Recommended Securities

Upside recommends index-tracking Exchange Traded Funds ("ETF"s). ETFs are typically registered investment companies whose shares represent an interest in a portfolio of securities that track an

underlying benchmark or index. (Some ETFs that invest in commodities, currencies, or commodity- or currency-based instruments are not registered as investment companies.) ETFs have been around since 1990, when the first fund was launched in Canada. Index-tracking funds have been available to institutional investors since the 1970s. However, the key feature of an ETF is its listing on an exchange so that investors can buy and sell it easily. Unlike units in a conventional mutual fund, ETFs can be traded throughout the day.

ETFs allow small investors to own a diversified portfolio at a low cost, but there are still associated risks. The material risks to such securities include:

Risks	Explanation
Brokerage costs	Trading into and out of ETFs incurs sales commissions and, possibly, other brokerage fees.
Market pricing	There is no guarantee that the market price of an ETF is the same as the market value of the ETF's underlying securities.
Limited portfolio strategy options	Currently, most publicly available ETFs are passively managed and offer investors few opportunities to maximize gains or limit losses through portfolio strategy.
Lack of support	Many ETF sponsors provide limited customer support.

D. Voting Client Securities

Upside does not vote proxies on behalf of any securities you own. Proxies will be delivered by our custodian directly to the account owners or their assigned authorized persons.

Item 7 Client Information Provided to Portfolio Managers

Because Upside manages all client portfolios directly, we do not share client information with other portfolio managers.

Item 8 Client Contact with Portfolio Managers

Clients may contact Upside by phone during business hours and by email at any time.

Item 9 Additional information

A. Disciplinary information

Like all registered investment advisors, Upside is required to disclose any legal, disciplinary, or other events that may be considered material to evaluating our Firm and its Services. **Upside does not have any legal, financial, regulatory, or other “disciplinary” item to disclose.**

B. Other Financial Industry Activities and Affiliations

Upside is currently pending registration as a broker-dealer. Further, certain of our management persons are currently registered as registered representatives of a broker-dealer. Currently this activity does not impact the accounts or services provided to the Clients, as this registration is not yet complete.

C. Code of Ethics

Upside’s first and most important obligation is to act, at all times, as fiduciary to its Clients. That means Upside puts the interests of its clients ahead of its own, and carefully manages any real or perceived conflict of interest with respect to its Services.

To ensure it meets its obligations to its Clients, Upside has adopted a Code of Ethics (“Code”), that lays out the standards of acceptable conduct for our principals, representatives, and other employees. Our Code includes general requirements to comply with the Firm’s fiduciary obligations, and specific requirements relating to, among other things, compliance with applicable laws, rules, and regulations; protection of material non-public information; conflicts of interest; and personal trading.

Each of our representatives has received a copy of our Code, attested to his understanding of it, and agreed to comply with it. A copy of our Code is available to all current and/or prospective clients upon request.

D. Participating in Client Trading

The Firm’s officers and directors may invest in the same ETFs or other securities instruments that are recommended to Clients, and may also use the Firm’s Platform and/or Services to create investment Plans that support their own goals.

E. Trading Alongside our Clients

Upside does not invest its own funds in securities as part of its business. It acts solely as an adviser for its Clients.

F. Trading Around the Same Time as our Clients

All trade executions are processed on a “first-entered, first-executed” method implemented through the Custodian. Upside otherwise may process large aggregated transactions that apply an average share price to each participant thereby not providing any better pricing to one Client over another or to any of our related persons. All Clients would also share in the transaction costs on a pro rata basis for any aggregation of orders for execution.

G. Review of Accounts

Upside’s Platform provides Clients with continual web-based access to reporting about of each of their Plans, securities positions and balances, transaction history, and other information through the Firm’s Website. The Platform continuously monitors each plan and periodically recommends rebalancing to maintain target portfolio allocations.

The Platform also recommends changes to the target portfolio allocation as and when Clients adjust the settings within each of their Plans. This includes profile information as well as investment objectives and Plan parameters.

H. Client Referrals and Other Compensation

a. Compensation we Receive

Upside may receive benefits as a result of participating in the custodian's institutional customer platform. Benefits may include the receipt of duplicate Client statements and confirmations; access to research-related products and tools, consulting services, a trading desk, block trading capabilities, and an electronic communications network; the ability to deduct advisory fees directly from Client accounts; and discounts on compliance marketing, research, technology, and practice management products or services provided by third party vendors.

b. Compensation we Pay

Upside does not compensate any individuals or entities for referrals.

I. Financial Information

a. Balance Sheet

Upside does not require or solicit prepayment of any fees from Clients. As a result, we are not required to disclose a copy of our balance sheet from our most recently completed fiscal year.

b. Adverse Financial condition

Upside does not have any adverse financial condition that is reasonably likely to impair our ability to continuously meet our contractual obligations to our Clients.

c. Bankruptcy-Related Matters

Upside has never been the subject of a bankruptcy petition.