

**Form ADV Part 2A -- Brochure**

**Upturn Corporation**

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Upturn is an investment adviser that is registered with the U.S. Securities and Exchange Commission (SEC). Registration of an investment adviser under the Investment Advisers Act of 1940 (the Advisers Act) does not imply a certain level of skill or training.

This brochure (Brochure) provides information about the qualifications and business practices of Upturn. If you have any questions about the contents of this brochure, please contact us at info@upturn.io. The information in this brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about Upturn also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2: Material Changes**

Upturn has updated the address on the first page. There are no other material changes to report since Upturn's last filing.

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## **Item 4: Advisory Business**

### ***Introduction to Upturn's Business***

Upturn was incorporated in October 2015 and commenced business in November 2017. Upturn is an investment adviser that is registered with the SEC as an internet adviser. That means that Upturn provides investment advice to clients exclusively through an interactive online presence - via its website, mobile or desktop apps, or REST APIs (a means to request and access information) integrated into third party applications. Upturn's website is located at <http://www.upturn.io> and its mobile app is designed to be purchased at a mobile or online store that sells apps. Using these technologies -- that is, interactive computer software-based applications -- users submit and receive information through the website, apps or REST APIs and help Upturn provide investment advice.

Upturn has no assets under management, and provides no discretionary investment advisory services. That means that a client, rather than Upturn, will make all investment decisions. Clients must make their own brokerage arrangements and bear their own brokerage and other costs. Upturn should only be used by investors who have experience in trading individual stocks and other assets, as opposed to, for example, investors whose investment experience is limited to passively holding shares of diversified mutual funds.

### ***The Upturn App***

The firm currently has a mobile application, also called Upturn, that provides you with information to make decisions about buying and selling publicly traded stocks and certain other assets. The firm also may offer desktop apps, website access, or REST APIs integrated into third party applications. Upturn uses a proprietary algorithm to provide you with a quantitative analysis of how certain selected stocks are performing. This algorithm alerts you as to when a stock might potentially be on an "Upturn," based on a technical analysis of historical data. The recommendations are to be taken purely as "potential" upward indicators and has no guarantees on the stock movements and the user should further investigate before making any stock purchase or selling decisions. Users of the app can access information for particular stocks regarding their historical performance, star or similar rating (based on historical performance), upturn indication, ending of upturn, loss, and other data.

Since the recommendations are based on technical analysis of historic patterns, historic performance has no guarantees on how a stock could perform in the future. There could be many reasons why a stock could perform well or otherwise.

Further, the analysis being technical in nature, fundamental characteristics of a company such as balance sheet, quarterly earnings performance, and others is not considered while making these recommendations. These recommendations are to be treated as a suggestion and it is the responsibility of the end user to fully investigate the stock from all angles before deciding to "buy" or "sell" or "hold" a position. Additionally, Upturn's recommendations cannot be used to purchase options.

The star or similar ratings provided in the application next to the ticker are derived from the historical performance of the stock with respect to the technical analysis of Upturn and are not a

fundamental rating of the stock by any financial analyst or the current rating of the company in terms of performance. A higher rating does not guarantee a better performance in the future neither does a lower rating indicate a poor performance in the future.

Upturn expects to, but is not required to, update the algorithm from time to time. Such updates will be announced on Upturn's web site and users of the app should visit the web site from time to time to see whether changes have been made. It is possible that, as a result of the updating process, the algorithm will not provide for a "sell" recommendation in connection with a "buy" recommendation that was previously made. This could occur if, for example, the new algorithm would not have recommended a "buy" order or would have recommended an earlier "sell" order, and does not recognize that a "buy" order remains outstanding. An app user should not rely on the app, and should view it as informative and just one factor among many, rather than as the sole reason to buy, sell, or hold a position.

Users of the Upturn application are solely responsible for their decisions to buy, hold, or sell a position in a company and may not hold Upturn responsible in any ways for their trading decisions and its performance.

### ***Upturn's Founder***

Upturn's founder and sole principal is Karthik Kulkarni. He has a background in software technology rather than in recommending investments for other people. He has long followed the stock market and analyzed patterns. On that basis he has developed a technology solution for stock market watching for investors who may wish for a different kind of approach.

Karthik was most recently a software architect and senior lead on Big Data Solutions at Cisco Systems Inc., a technology company, where he began work a decade ago. Cisco Systems has no involvement with Upturn. Before Cisco Systems, Karthik spent about two years as a biotechnology-focused Research Assistant at the University of Delaware while earning his Master of Science degree (MS). Before that, for about two years he was a member of the technical staff at Oracle's India presence working primarily in server technologies. He has a Bachelor of Engineering degree in Computer Science and Engineering from Visvesvaraya Technological University in India, and a Master of Science degree in Computer & Information Science from the University of Delaware.

### ***Upturn Today and in the Future***

As Upturn is newly formed, it has advised no clients on investments as of the date of this Brochure.

The universe of stocks and other investments on which Upturn will provide suggestions may range from narrow, such as an initial focus on selected large capitalization (large cap) stocks, to more broad, such as including exchange-traded funds (ETFs), mutual funds, and other instruments. Although it has flexibility to do so, Upturn does not commit to provide suggestions on any particular additional kinds of investments.

At the outset, the advice is expected to be fairly generic. Over time, it is expected that data provided by a client will be used to personalize the advice. In addition, clients may specify particular stocks that they wish to follow.

Upturn may expand its product offering, increase the use of personalized data, and enhance other aspects of its business over time.

### **Item 5: Fees and Compensation**

Prior to engaging Upturn, a client will be required to enter into a written investment advisory agreement with Upturn. This agreement may be a separate document, or it may be part of the app's or website's terms and conditions. The investment advisory agreement is generally in electronic format only, and you may agree to its terms by clicking-through or otherwise indicating that you agree to the agreement. If you do not agree to the agreement, you may not use the app or website. If the investment advisory agreement is part of Upturn's online terms and conditions, Upturn may provide that those terms and conditions may be amended, even if the investment advisory agreement portion generally may not be amended without client consent.

Upturn will sell its application, REST API, or other means to access its technology via its website or at an online store. Upturn also may offer its services through commercial arrangements such as with retail brokerages or their affiliates; such arrangements shall not constitute an endorsement by Upturn of any particular broker, and any client should make its own determination of the appropriate broker for the client. The financial arrangements with respect to these and any other commercial arrangements are not finalized as of the date of this Brochure but will be disclosed during the client onboarding process.

Upturn will receive the entire cost of the app when it is sold on Upturn's website. When the app is sold in a store maintained by a third party, Upturn will, in the customary way with respect to such a store, receive a portion of the cost of the app that reflects the administrative costs of placing it in the store. No store or other third party will solicit clients for Upturn or otherwise provide marketing, and Upturn does not consider such a store to implicate the cash solicitation rule under the Advisers Act because the hosting of the app is provided for administrative convenience and not for purposes of helping to market Upturn's investment advisory services.

Upturn does not currently receive any fee other than that paid from the price of the app. Upturn reserves the right to provide for a different compensation arrangement for future clients. A subscription fee arrangement is contemplated for future consideration. Upturn reserves the right to revisit the investment advisory agreement terms and may, upon mutual agreement with a client, agree to different fee terms that at the outset of the client relationship.

Fees are not expected to be negotiable, but rather are expected to be set in the app or on the website. As the product is new, its initial pricing may change for future users.

Upturn may house advertising on its website or via its app, similar to banner or click-through ads that appear when using many free or inexpensive apps, and Upturn will receive compensation for such advertising. Such advertising compensation is paid by the advertisers and not by Upturn's clients. Upturn may arrange to receive additional compensation from the advertisers and their affiliates if Upturn's clients click on advertising links or, in some cases, patronize the

advertisers' businesses. Certain advertisements may be for financial products. By accepting advertisements on its site or app, Upturn does not endorse any such financial products or other products promoted by advertisers, and generally does not expect to know which companies will be advertising on its website or app, due to the nature of online advertising services.

Upturn does not receive revenue from any issuer of publicly traded stock or other market participant except as described above.

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

Upturn does not charge performance-based fees, which are fees that are based on a share of the capital appreciation of an account.

#### **Item 7: Types of Clients**

Upturn's clients are expected to be individuals of all income ranges who are interested in receiving recommendations for buying, holding, and selling stocks.

Upturn does not currently anticipate accepting non-U.S. persons as clients, but may do so in the future.

In no event may the investment advisory services be used by an individual retirement account (IRA), any retirement plan including one subject to the Employee Retirement Income Security Act of 1974 (ERISA) or any other tax-exempt investor or tax-deferred or tax-advantaged form of retirement account, insurance account or educational savings account.

Upturn currently limits its investors to U.S. persons but may allow non-U.S. persons to invest in the future.

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

##### *Methods of Analysis and Investment Strategies*

Upturn does not provide discretionary investment management, but rather provides investment suggestions that a client may choose to implement or not implement.

Upturn uses a proprietary algorithm to provide you with a technical or quantitative analysis of how certain selected stocks are performing. Upturn uses the term technical or quantitative analysis to refer to using past market data, stock trading history, and similar information (as opposed to, for example, research into a company's business). This algorithm alerts you as to when a stock might potentially be on an "Upturn," based on a technical analysis of historical data. The recommendations are to be taken purely as "potential" upward indicators and are not guarantees on stock movements. A user of Upturn should further investigate before making any stock purchase or selling decisions. Users of the app can access information regarding historical performance, star or similar rating (based on historical performance as scrutinized by the Upturn algorithm), "upturn" indication (meaning a "buy" suggestion), ending of "upturn" (meaning a "sell" suggestion), and other data.

Since the recommendations are based on quantitative analysis of historic patterns, historic performance has no guarantees on how a stock could perform in the future. There could be many reasons why a stock could perform well or otherwise.

The universe of stocks and other investments on which Upturn will provide suggestions may range from narrow, such as an initial focus on selected large capitalization (large cap) stocks, to more broad, such as including ETFs, mutual funds, and other instruments. Although it has flexibility to do so, Upturn does not commit to provide suggestions on any particular additional kinds of investments.

Upturn does not track whether a particular client has implemented any particular investment suggestion, and does not otherwise consider a client's entire investment portfolio.

### *Risk of Loss*

Upturn recommends primarily a selected universe of publicly traded stocks. These investments are subject to various risks, and a user of the Upturn app may lose some or all of the amounts invested. You should understand investment risks before you invest any money using the recommendations or suggestions provided by the Upturn application.

Investments using Upturn's processes, and stock trading in general, are subject to specific risks, and include:

**Newly Formed.** Upturn is newly formed and, as of the date of this Brochure, has no operating history. New companies tend to be more susceptible to disruptions than companies with a long history of operations.

**Key Person; Management Risk.** Karthik Kulkarni is the sole principal of Upturn. His formal background is primarily in technology rather than in investing. If he departs Upturn or if Upturn otherwise ceases to operate, it is possible that stock "buy" recommendations will not end up having corresponding "sell" recommendations on a later date. Upturn is subject to management risk, which is the risk that its management does not effectively implement its business model or achieve its business objectives. If Karthik Kulkarni becomes temporarily or permanently unavailable, the app may become unavailable.

**App Risk.** Upturn's technology may not work as intended, including that it may become unavailable or otherwise face technical difficulties, in which case it may not be able to send investment advice on a timely basis. The app is not tested in real life applications and may have bugs or other technological problems. The investment recommendations offered by the app may be limited in number or scope, and may underperform other kinds of investments.

**Risks of Downturns.** Although the app seeks to identify upturns, there can be no assurance that there will not be major downturns instead. Similarly, the app seeks to identify the end of upturns, but there is a risk that a client who sells based on a "sell" recommendation from the app could miss a significant upturn in the relevant market.



**Market Risks.** All investments are subject to risk of loss. Investments in stocks are subject to fluctuations in value, which may be significant. There is no guarantee that your investment will grow, and you may lose a major part of the money you invest in accordance with the app's recommendations. that, as the markets rise and fall, the value of your investment will fluctuate),

**Equity Risk.** Investing in equity, or the stock of companies, is subject to various risks including the risk of volatility, particularly in market crises. The price of a company's stock does not always reflect its inherent value, and stock prices may rise or fall without investors being able to identify a specific reason for the price changes.

**Large Cap Stock Risk.** Many of the stocks selected by the app may be large cap stocks. Such investments may underperform other investments, including due to the maturity of the markets, the facts that larger companies can be less nimble, and because of the size of the competition.

**Small and Mid Cap Stock Risk.** Some of the stocks selected by the app may be smaller than large cap stocks. The stock of small and mid-sized companies may have higher price volatility, and lower liquidity, when compared with the stock of larger companies.

**Exchange-Traded Funds and Mutual Funds.** Investment companies such as ETFs and mutual funds have specific terms for investment and are subject to investment advisory fees and other expenses. Each fund has its own investment objective, strategy, and investment portfolio, and is subject to various material risks. You should read and understand a fund's prospectus before investing. Tax considerations are important when investing in funds. Mutual funds will generally require the completion of an investment application and other paperwork to subscribe for or redeem shares, and are not suitable vehicles for rapidly trading in and out of the markets.

**Other Instruments.** Upturn may expand its advice to include asset classes or instruments.

**Not a Diversified Portfolio.** Upturn is not designed to provide a diversified portfolio. Clients may find themselves with concentrated holdings in a few stocks. Upturn is recommended only as part of a larger investment strategy including diversified holdings of kinds not offered by the app.

**Brokerage Costs.** Upturn does not take account of brokerage costs to its clients when making recommendations. Frequent trading, particularly in small amounts, may result in significant brokerage costs that could materially reduce investment returns. A client should carefully consider its brokerage choices when considering trading based on Upturn's recommendations.

**Tax Risk.** Upturn does not take tax into account when making its recommendations. Frequent trading, trading at a particular time of year, trading before or after a scheduled dividend announcement, and buying and selling the identical stock can all result in adverse tax effects. An investor should consult his or her tax advisor before

implementing any stock trading program, and particularly before trading based on Upturn's recommendations.

**Cybersecurity Risk.** Despite Upturn's efforts, there is a risk that your personal information could be accessed through a computer hack or other unauthorized access. It is conceivable that Upturn's communications could be hacked in a manner that results in unapproved investment recommendations or other problems. The online nature of the app means it is exposed to such attempts at unauthorized access.

**Risks Relating to Algorithm Updates.** If Upturn updates the app, it is possible that, as a result of the updating process, the algorithm will not provide for a "sell" recommendation in connection with a "buy" recommendation that was previously made. This could occur if, for example, the new algorithm would not have recommended a "buy" order or would have recommended an earlier "sell" order, and does not recognize that a "buy" order remains outstanding. An app user should not rely on the app, and should view it as informative and just one factor among many, rather than as the sole reason to buy, sell, or hold a position.

Investing is inherently risky. Past performance is not necessarily an indicator of future performance.

#### **Item 9: Disciplinary Information**

Upturn has no disciplinary events to report.

#### **Item 10: Other Financial Industry Activities and Affiliations**

Upturn and its personnel currently engage in no other financial activities besides the investment activities described in this Brochure. Upturn and its personnel also have no employment or similar relationship that Upturn would view as creating an affiliation with a company in a financial industry or any related conflict of interest.

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

Upturn is subject to a fiduciary duty to act in the best interests of its clients. Consistent with that duty and government regulations, Upturn has adopted a Code of Ethics applicable to its personnel describing its high standard of business conduct with respect to its clients. This fiduciary duty is the core principle underlying the Code of Ethics and represents the expected basis of all our dealings with our clients. The Code of Ethics includes internal reporting, recordkeeping and other obligations regarding our personal securities transactions. The Code of Ethics requires that any violations of these obligations and any outside complaints be escalated, addressed promptly and appropriately, and recorded in the company's books and records.

Upturn's personnel and their families may use the app's recommendations to invest. The investment advice that Upturn provides offers little or no opportunity for a conflict of interest to arise, given that the advice is expected to relate to publicly traded stocks that are generally liquid. It is expected that Upturn's personnel will not be in a position to benefit from frontrunning or

otherwise trading in a manner that takes advantage of users of the app. Even so, the Code of Ethics prohibits trading ahead of clients or trading on nonpublic information. In the event that a conflict of interest is perceived to exist, Upturn will seek to eliminate or mitigate that conflict of interest, such as by prohibiting or monitoring trading that is identified as potentially representing a conflict of interest.

Upturn will provide a copy of the Code of Ethics to any client or prospective client upon written request.

#### **Item 12: Brokerage Practices**

Upturn does not select brokers through which you trade. Any investment on which Upturn advises you is subject to the applicable brokerage charges that your own broker charges. You should ask your broker about brokerage commissions and other costs that may apply.

You should expect to pay more brokerage charges the more you trade, and smaller trades may be subject to disproportionately large brokerage charges.

Upturn does not receive “soft dollars” or other economic benefits from any brokerage arrangement.

#### **Item 13: Review of Accounts**

Upturn does not review accounts because it has no transparency into client accounts. Periodically, such as each quarter, Upturn reviews the operation of the app for any manifest error.

#### **Item 14: Client Referrals and Other Compensation**

Upturn does not receive or pay compensation for making client referrals.

#### **Item 15: Custody**

Upturn does not hold custody of your assets. Instead, your assets are held in custody by your broker or as you otherwise arrange.

#### **Item 16: Investment Discretion**

Upturn does not exercise investment discretion for any clients. That means that you, rather than Upturn, decide when and how to invest.

#### **Item 17: Voting Client Securities**

From time to time, you will be entitled to participate in shareholder votes on matters relating to the stock in which you invest. In such an instance, the relevant company will solicit your proxy, which means that it will seek your instruction on how to vote your shares. Upturn does not vote your shares, and does not provide you advice on how you should instruct your shares to be voted. You or your broker will receive proxy materials directly from the relevant company. Some of

these votes can be particularly material to your interests. You should read any proxy materials and you will need to make your own decision on how to vote your securities, in consultation with your professional advisor or upon doing your own research, should you so desire.

#### **Item 18: Financial Information**

Because Upturn does not accept six months' prepayment of fees, does not hold custody of your assets, and does not exercise discretion in investing client assets, this disclosure item is not applicable.

**Form ADV Part 2B -- Brochure Supplement**

**Karthik Kulkarni**  
Chief Executive Officer

**Upturn Corporation**

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March 22, 2019

This Brochure Supplement provides information about Karthik Kulkarni that supplements Upturn's Brochure. You should have received a copy of that Brochure. Please contact Karthik Kulkarni at the above address if you did not receive Upturn's Brochure or if you have any questions about the contents of this Brochure Supplement.

Additional information about Karthik Kulkarni is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2: Educational Background and Business Experience**

Name: Karthik Kulkarni

Year born: 1980

Education:

University of Delaware, Master of Science degree, Computer & Information Science, 2006

Visvesvaraya Technological University, Bachelor of Engineering degree, Computer Science and Engineering, 2002

Business Background:

Cisco Systems, Inc., Big Data Solutions Architect and Lead, 2007-Present

University of Delaware, Research Assistant, biotechnology focus, 2005-2006

Oracle India Pvt Ltd, 2003-2005

## **Item 3: Disciplinary Information**

He has no disciplinary events to report.

## **Item 4: Other Business Activities**

He is not actively engaged in any other business or occupation for compensation.

## **Item 5: Additional Compensation**

There are no other compensation arrangements.

## **Item 6: Supervision**

Karthik Kulkarni (408) 310-9363 is the sole owner and employee of Upturn, and therefore is not supervised by others at Upturn.