

**Form ADV Part 2A: Firm Brochure**

**Item 1 – Cover Page**

**Up Financial USA Inc.**  
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Calgary, Alberta Canada T2V 4S7  
587-316-4070

Date of Disclosure Brochure: March 2024

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This disclosure brochure provides information about the qualifications and business practices of Up Financial USA Inc. (also referred to as we, us and Up Financial USA throughout this disclosure brochure). If you have any questions about the contents of this disclosure brochure, please contact Elijah C. Kirchmaier at 587-316-4070 or [ekirchmaier@upfinancialus.com](mailto:ekirchmaier@upfinancialus.com). The information in this disclosure brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

This disclosure brochure is used for our clients who are residents of the United States of America ("*clients*", "*U.S. clients*"). Unless indicated otherwise, our disclosures in this Brochure are generally based upon our practices and policies for U.S. clients which may differ from our practices and policies for our clients who are not residents of United States of America ("*non-U.S. clients*"). The provisions of the U.S. Investment Advisers Act of 1940 as amended and SEC rules thereunder ("*Advisers Act*") and this Brochure and the protections of the Advisers Act do not apply to our non-U.S. clients.

Additional information about Up Financial USA is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view our firm's information on this website by searching for Up Financial USA Inc. or our firm's CRD number 326602.

\*Registration as an investment adviser does not imply a certain level of skill or training.

## **Item 2 – Material Changes**

Since the first edition of this disclosure brochure, dated June 2023, there have been no material changes.

We will ensure that you receive a summary of any material changes to this and subsequent disclosure brochures within 120 days after our firm's fiscal year ends. Our firm's fiscal year ends on February 28, so you will receive the summary of material changes no later than June 30 each year. At that time we will also offer or provide a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes, as necessary.

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#### **Item 4 – Advisory Business**

Up Financial USA is an investment adviser registered with the United States Securities and Exchange Commission (“SEC”) and is a corporation formed under the laws of Alberta, Canada.

- Elijah Kirchmaier is a Director, the Chief Compliance Officer (CCO) and an Investment Adviser Representative of Up Financial USA.
- Nathan Wood is also a Director and an Investment Adviser Representative of Up Financial USA.
- Up Financial USA was formed in April 2023 and has been approved as an investment adviser in the United States of America since June 2023.
- Up Financial USA is 100% owned by 1972254 AB Ltd., a holding company. Elijah Kirchmaier and Nathan Wood are the controlling shareholders and each own 50% of 1972254 AB Ltd.
- Up Financial USA and its investment adviser representatives provide services to clients who are residents of the United States of America. Elijah Kirchmaier and Nathan Wood are also registered with the regulatory authorities of Canada and provide services to residents of Canada through Up Investment Management of Aligned Capital Partners Inc. and through Up Financial Inc. Refer to *Item 10 - Other Financial Industry Activities and Affiliations* for more information about those companies.

#### **Description of Advisory Services**

The following are descriptions of the primary advisory services of Up Financial USA. Please understand that a written agreement, which details the exact terms of the service, must be signed by you and Up Financial USA before we can provide you the services described below.

**Asset Management Services** – Up Financial USA offers asset management services, which involves Up Financial USA providing you with continuous and ongoing supervision over your specified accounts.

You must appoint our firm as your investment adviser of record on specified accounts (collectively, the “Account”). The Account consists only of separate account(s) held by qualified custodian(s) under your name. The qualified custodians maintain physical custody of all funds and securities of the Account, and you retain all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) of the Account. Refer to *Item 12 – Brokerage Practices* for more information.

The Account is managed by us based on your financial situation, investment objectives and risk tolerance. We actively monitor the Account and implement advice by buying, selling, reinvesting or holding securities, cash or other investments of the Account. Refer to *Item 16 – Investment Discretion* for more information.

We will need to obtain certain information from you to determine your financial situation and investment objectives. In the process of obtaining the information from you, we provide ancillary financial planning and consultative services including asset allocation, risk management and income planning. Such

financial planning and consultative services are intended to better understand your financial situation and design an investment portfolio consistent with your long-term needs and goals.

You will be responsible for notifying us of any updates regarding your financial situation, risk tolerance or investment objective and whether you wish to impose or modify existing investment restrictions; however we will contact you at least annually to discuss any changes or updates regarding your financial situation, risk tolerance or investment objectives. We are always reasonably available to consult with you relative to the status of your Account. You have the ability to impose reasonable restrictions on the management of your accounts, including the ability to instruct us not to purchase certain securities.

It is important that you understand that we manage investments for other clients and may give them advice or take actions for them or for our personal accounts that is different from the advice we provide to you or actions taken for you. We are not obligated to buy, sell or recommend to you any security or other investment that we may buy, sell or recommend for any other clients or for our own accounts.

Conflicts may arise in the allocation of investment opportunities among accounts that we manage. We strive to allocate investment opportunities believed to be appropriate for your account(s) and other accounts advised by our firm among such accounts equitably and consistent with the best interests of all accounts involved. However, there can be no assurance that a particular investment opportunity that comes to our attention will be allocated in any particular manner. If we obtain material, non-public information about a security or its issuer that we may not lawfully use or disclose, we have absolutely no obligation to disclose the information to any client or use it for any client's benefit.

**No Participation in Wrap Fee Programs.** A wrap-fee program is defined as any advisory program under which a specified fee or fees not based directly upon transactions in a client's account is charged for investment advisory services (which include portfolio management and/or advice concerning the selection of other investment advisers) and the execution of client transactions. We do not offer or participate in wrap-fee programs. All of our services are provided on a non-wrap fee basis which means fees and expenses for execution of client transactions charged by your broker/dealer and/or custodian are billed directly to your account separately from our advisory fees.

**Retirement Plan Rollover Recommendations.** When Up Financial USA provides investment advice about your retirement plan account or individual retirement account ("IRA") including whether to maintain investments and/or proceeds in the retirement plan account, roll over such investment/proceeds from the retirement plan account to a IRA or make a distribution from the retirement plan account, we acknowledge that Up Financial USA is a "**fiduciary**" within the meaning of Title I of the Employee Retirement Income Security Act ("ERISA") and/or the Internal Revenue Code ("IRC") as applicable, which are laws governing retirement accounts. The way Up Financial USA makes money creates conflicts with your interests so Up Financial USA operates under a special rule that requires Up Financial USA to act in your best interest and not put our interest ahead of you.

Under this special rule's provisions, Up Financial USA must as a fiduciary to a retirement plan account or IRA under ERISA/IRC:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put the financial interests of Up Financial USA ahead of you when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;

- Follow policies and procedures designed to ensure that Up Financial USA gives advice that is in your best interest;
- Charge no more than is reasonable for the services of Up Financial USA; and
- Give Client basic information about conflicts of interest.

To the extent we recommend you roll over your account from a current retirement plan account to an individual retirement account managed by Up Financial USA, please know that Up Financial USA and our investment adviser representatives have a conflict of interest.

We can earn increased investment advisory fees by recommending that you roll over your account at the retirement plan to an IRA managed by Up Financial USA. We will earn fewer investment advisory fees if you do not roll over the funds in the retirement plan to an IRA managed by Up Financial USA.

Thus, our investment adviser representatives have an economic incentive to recommend a rollover of funds from a retirement plan to an IRA which is a conflict of interest because our recommendation that you open an IRA account to be managed by our firm can be based on our economic incentive and not based exclusively on whether or not moving the IRA to our management program is in your overall best interest.

We have taken steps to manage this conflict of interest. we have adopted an impartial conduct standard whereby our investment adviser representatives will (i) provide investment advice to a retirement plan participant regarding a rollover of funds from the retirement plan in accordance with the fiduciary status described below, (ii) not recommend investments which result in Up Financial USA receiving unreasonable compensation related to the rollover of funds from the retirement plan to an IRA, and (iii) fully disclose compensation received by Up Financial USA and our supervised persons and any material conflicts of interest related to recommending the rollover of funds from the retirement plan to an IRA and refrain from making any materially misleading statements regarding such rollover.

When providing advice to a retirement plan account or IRA, our investment advisor representatives will act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, based on the investment objectives, risk, tolerance, financial circumstances, and a client's needs, without regard to the financial or other interests of Up Financial USA or our affiliated personnel.

### **Limits Advice to Certain Types of investments**

Up Financial USA provides investment advice on the following types of investments:

- Mutual Funds
- Exchange Traded Funds (ETFs)
- Exchange-listed Securities (i.e., individual stock positions)
- Securities Traded Over-the-Counter
- Foreign Issues
- Certificates of Deposit
- US Government Securities

Although we generally provide advice only on the products previously listed, we reserve the right to offer advice on any investment product that may be suitable for each client's specific circumstances, needs, goals and objectives.

It is not our typical investment strategy to attempt to time the market, but we may increase cash holdings modestly as deemed appropriate based on your risk tolerance and our expectations of market behavior. We may modify our investment strategy to accommodate special situations such as low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations.

(Please refer to *Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss* for more information.)

### **Tailor Advisory Services to Individual Needs of Clients**

Up Financial USA's advisory services are always provided based on your individual needs. This means, for example, that when we provide asset management services, you are given the ability to impose restrictions on the accounts we manage for you, including specific investment selections and sectors. We work with you on a one-on-one basis through interviews and questionnaires to determine your investment objectives and suitability information.

We will not enter into an investment adviser relationship with a prospective client whose investment objectives may be considered incompatible with our investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

### **Client Assets Managed by Up Financial USA**

As a newly registered investment adviser, Up Financial USA has no assets under management to report as of December 31, 2023.

## **Item 5 – Fees and Compensation**

This section provides details regarding the fees and compensation arrangements for our Asset Management Services.

The following is our standard fee schedule. Please note that fees charged for our asset management services are negotiable based on the type of client, the potential for additional account deposits, the relationship of the client with the investment adviser representative, and the total amount of assets under management for the client. The exact fees and other terms will be outlined in the agreement between you and Up Financial USA.

<u>Assets Under Management</u>	<u>Annual Fees</u>
\$0 – \$1,000,000	1.25%
\$1,000,001 – \$5,000,000	1.00%
\$5,000,001 – \$10,000,000	0.75%
\$10,000,001 – \$30,000,000	0.50%
\$30,000,001 – \$50,000,000	0.40%
\$50,000,000+	0.35%

(This is **not** a “blended” annual fee schedule in which each tier of assets is charged a different rate under the annual fee schedule creating the effect of a blended fee rate used at the time of billing. Under our fee schedule described above, only one rate is charged against all of the client's assets under management in this program.)

Fees charged for our asset management services are charged based on a percentage of assets under management, billed in arrears (at the end of the billing period) on a monthly basis and calculated based on the average daily balance of your account during the previous billing period. Fees are prorated (based on the number of days service is provided during the initial billing period) for your account opened at any time other than the beginning of the billing period. If asset management services are commenced in the middle of the billing period, then the prorated fee for that billing period will be billed in arrears at the end of that billing period.

The investment advisory fees will be deducted from your account and paid directly to our firm by the qualified custodian(s) of your account. You will authorize the qualified custodian(s) of your account to deduct fees from your account and pay such fees directly to our firm.

You should review your account statements received from the qualified custodian(s) and verify that appropriate investment advisory fees are being deducted. The qualified custodian(s) will not verify the accuracy of the investment advisory fees deducted.

Up Financial USA believes that its annual fee is reasonable in relation to: (1) services provided and (2) the fees charged by other investment advisers offering similar services/programs. However, our annual investment advisory fee may be higher than that charged by other investment advisers offering similar services/programs.

**Termination.** Asset Management Services continue in effect until terminated. You may terminate the services by providing Up Financial USA with notice. Up Financial USA may terminate the services by providing you with written notice effective 30 days after you receive the written notice. When fees are billed in arrears, Up Financial USA will prorate the final fee payment based on the number of days services are provided during the final period. The amount of client assets on the termination date will be used to determine the final fee payment.

**Other Fees & Expenses.** Brokerage expenses and/or transaction fees charged by the qualified custodian are billed directly to you by the qualified custodian. Up Financial USA does not receive any portion of such fees from you or the qualified custodian. In addition, you will incur certain charges imposed by third parties other than Up Financial USA in connection with investments made through your account including, but not limited to, mutual fund sales loads, 12b-1 fees and surrender charges, variable annuity fees and surrender charges, IRA and qualified retirement plan fees, and other charges imposed by the qualified custodian(s) of your account. Management fees charged by Up Financial USA are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to you. A description of these fees and expenses are available in each investment company security's prospectus. We do not receive any portion of such fees and expenses.

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

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account. *Item 6* is not applicable to this Disclosure Brochure because we do not charge or accept performance-based fees.

## **Item 7 – Types of Clients**

Up Financial USA generally provides investment advice to individual retail clients, including high-net worth individuals, their trusts, estates and other legal entities. We also work with companies owned by our clients and other small business corporations and entities.



### **Minimum Investment Amounts Required**

There are no minimum investment amounts or conditions required for establishing an account managed by Up Financial USA. However, all clients are required to execute an agreement for services in order to establish a client arrangement with Up Financial USA.

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

### **Methods of Analysis**

Up Financial USA uses the following methods of analysis in formulating investment advice:

Charting - This is a set of techniques used in technical analysis in which charts are used to plot price movements, volume, settlement prices, open interest, and other indicators, in order to anticipate future price movements. Users of these techniques, called chartists, believe that past trends in these indicators can be used to extrapolate future trends.

Charting is likely the most subjective analysis of all investment methods since it relies on proper interpretation of chart patterns. The risk of reliance upon chart patterns is that the next day's data can always negate the conclusions reached from prior days' patterns. Also, reliance upon chart patterns bears the risk of a certain pattern being negated by a larger, more encompassing pattern that has not shown itself yet.

Cyclical – This method analyzes the investments sensitive to business cycles and whose performance is strongly tied to the overall economy. For example, cyclical companies tend to make products or provide services that are in lower demand during downturns in the economy and in higher demand during upswings. Examples include the automobile, steel, and housing industries. The stock price of a cyclical company will often rise just before an economic upturn begins, and fall just before a downturn begins. Investors in cyclical stocks try to make the largest gains by buying the stock at the bottom of a business cycle, just before a turnaround begins.

While most economists and investors agree that there are cycles in the economy that need to be respected, the duration of such cycles is generally unknown. An investment decision to buy at the bottom of a business cycle may actually turn out to be a trade that occurs before or after the bottom of the cycle. If done before the bottom, then downside price action can result prior to any gains. If done after the bottom, then some upside price action may be missed. Similarly, a sell decision meant to occur at the top of a cycle may result in missed opportunity or unrealized losses.

Fundamental – This is a method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of a company). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). Fundamental analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong, and could therefore lead to an unfavorable investment decision.

### **Investment Strategies**

Up Financial USA uses the following investment strategies when managing client assets and/or providing investment advice:

Long term purchases. Investments held at least a year.

Short term purchases. Investments sold within a year.

Value Investing. We primarily follow a value-investing strategy that attempts to acquire at reasonable valuations publicly traded businesses that can deliver sustainable excess returns. We focus on a long-only strategy. Long term strategies are designed to identify and select investments to be held for multiple years. We will also invest in value oriented special situations with shorter expected holding periods.

Value investing can be described as a strategy of selecting stocks that trade for less than their intrinsic values. Value investors typically seek stocks of companies that they believe the market has undervalued. They believe the market overreacts to good and bad news, resulting in stock price movements that do not correspond with the company's long-term fundamentals. The result is an opportunity for value investors to profit by buying when the price is deflated. Often, value investors select stocks with lower-than-average price-to-book or price-to-earnings ratios and/or high dividend yields. The risks associated with value-investing include incorrectly analyzing and overestimating the intrinsic value of a business, concentration risk, under performance relative to major benchmarks, macro-economic risks, investing in value traps i.e. businesses that remain perpetually undervalued, and lost purchasing power on cash holdings in the case of inflation.

Growth Investing. We also utilize growth investing which is an investment style and strategy that is focused on increasing an investor's capital. Growth investors typically invest in growth stocks—that is, young or small companies whose earnings are expected to increase at an above-average rate compared to their industry sector or the overall market. Growth investing is attractive to many investors because buying stock in emerging companies can provide returns (as long as the companies are successful). However, such companies are untried and thus often pose additional risks. Because they typically do not offer dividends, the only opportunity an investor has to earn money on their investment is when they eventually sell their shares. If the company does not do well, investors take a loss on the stock when it's time to sell.

Tactical asset allocation. Allows for a range of percentages in each asset class (such as Stocks = 40-50%). The ranges establish minimum and maximum acceptable percentages that permit the investor to take advantage of market conditions within these parameters. Thus, a minor form of market timing is possible, since the investor can move to the higher end of the range when stocks are expected to do better and to the lower end when the economic outlook is bleak.

Strategic asset allocation. Calls for setting target allocations and then periodically rebalancing the portfolio back to those targets as investment returns skew the original asset allocation percentages. The concept is akin to a “buy and hold” strategy, rather than an active trading approach. Of course, the strategic asset allocation targets may change over time as the client’s goals and needs change and as the time horizon for major events such as retirement and college funding grow shorter.

### **Primarily Recommend One Type of Security**

We do not primarily recommend one type of security to clients. Instead, we recommend any product that may be suitable for each client relative to that client’s specific circumstances and needs.

### **Risk of Loss**

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated with investing in securities through our investment management program, as described below:

- Market Risk – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- Equity (stock) market risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company’s employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- Fixed Income Risk. When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.

- Options Risk. Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- ETF and Mutual Fund Risk – When investing in an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. You will also incur brokerage costs when purchasing ETFs.
- Management Risk – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.

### Item 9 – Disciplinary Information

Item 9 asks us to disclose any legal or disciplinary events that either the firm, or its management persons, may have been involved in, in any of the following areas:

1. A criminal or civil action in a domestic, foreign or military court of competent jurisdiction.
  - Up Financial USA has nothing to report for this item.
2. An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority.
  - Up Financial USA has nothing to report for this item.
3. A self-regulatory organization (SRO) proceeding.
  - Up Financial USA has nothing to report for this item.

### Item 10 – Other Financial Industry Activities and Affiliations

Up Financial USA is an investment adviser and only provides investment advisory services. Up Financial USA is not engaged in any other business activities and offers no other services except those described in this Disclosure Brochure.

Up Financial USA is **not** and does **not** have a related person, in the United States, that is a broker/dealer, municipal securities dealer, government securities dealer or broker, an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), a futures commission merchant, commodity pool operator, or commodity trading advisor, a banking or thrift institution, an accountant or accounting firm, a lawyer or law firm, a pension consultant, a real estate broker or dealer, and a sponsor or syndicator of limited partnerships.

Elijah Kirchmaier and Nathan Wood are also affiliated with and provide investment services through two other companies, Up Investment Management of Aligned Capital Partners Inc. and Up Financial Inc. Elijah Kirchmaier and Nathan Wood service Canadian clients through these two companies.

Up Investment Management of Aligned Capital Partners Inc. and Up Financial Inc. are Canadian-based financial and investment-services firm serving clients who are not US nationals and do not reside in the US.

Up Financial USA is also a Canadian-based company, but was created solely to service US nationals whether residing in the United States or outside, as well as clients of other nationalities residing in the United States.

Currently, Elijah Kirchmaier and Nathan Wood devote the majority of their time (approximately 90%) on activities conducted through Up Investment Management of Aligned Capital Partners Inc. and Up Financial Inc. However, we expect to devote more time to Up Capital USA Inc. in the future.

#### **Up Investment Management of Aligned Capital Partners Inc.**

Elijah Kirchmaier and Nathan Wood are Investment Advisors and registered representatives of Up Investment Management of Aligned Capital Partners Inc., an introducing securities dealer in Canada and a member of the Investment Industry Regulatory Organization of Canada (IIROC) as well as a member of the Canadian Investor Protection Fund (CIPF).

Elijah Kirchmaier and Nathan Wood conduct their Canadian-based investment securities and management services through Aligned Capital Partners Inc. under the name Up Investment Management of Aligned Capital Partners Inc.

The investment strategies and recommendations provided by Up Financial USA are similar to those Elijah Kirchmaier and Nathan Wood provide through Up Investment Management of Aligned Capital Partners Inc.

A conflict of interest exists between our interests and the interests of Up Financial USA clients in that we could be more attentive to Up Investment Management of Aligned Capital Partners Inc. clients. However, generally speaking, the types of investment recommendations and methods of formulating investment advice for clients of Up Investment Management of Aligned Capital Partners Inc. are the same as those provided to Up Financial USA clients and we implement policies and procedures designed to provide equal time and treatment to clients of both Up Financial USA and Up Investment Management of Aligned Capital Partners Inc.

Although Elijah Kirchmaier and Nathan Wood are affiliated with Aligned Capital Partners, Up Financial USA Inc. and Aligned Capital Partners Inc. are not affiliated companies.

Aligned Capital Partners Inc. will not provide brokerage services for the advisory services described in Items 4 and 5 of this brochure. For asset management services of Up Financial USA, clients will utilize Interactive Brokers for brokerage and custody services unless they use a custodian of their choosing, as agreed upon by Up Financial USA.

#### **Up Financial Inc.**

Elijah Kirchmaier and Nathan Wood also provide financial planning and insurance services to Canadian clients through Up Financial Inc., a related company of Up Financial USA Inc. Through Up Financial Inc., Elijah Kirchmaier and Nathan Wood can provide fee-based Financial Planning services to Canadian clients. They can also recommend and sell insurance products to Canadian clients. Up Financial Inc. services are not marketed or solicited to the clients of Up Financial USA Inc. Moreover, Elijah Kirchmaier and Nathan Wood do not currently sell insurance products to US-based clients.

## **Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading**

### **Code of Ethics Summary**

According to the *Investment Advisers Act of 1940*, an investment adviser is considered a fiduciary and has a fiduciary duty to all clients. Up Financial USA has established a Code of Ethics to comply with the requirements of Section 204(A)-1 of the *Investment Advisers Act of 1940* that reflects its fiduciary obligations and those of its supervised persons. The Code of Ethics also requires compliance with federal securities laws. The Code of Ethics covers all individuals that are classified as “supervised persons”. All employees, officers, directors and investment adviser representatives are classified as supervised persons. Up Financial USA requires its supervised persons to consistently act in your best interest in all advisory activities. Up Financial USA imposes certain requirements on its affiliates and supervised persons to ensure that they meet the firm’s fiduciary responsibilities to you. The standard of conduct required is higher than ordinarily required and encountered in commercial business.

This section is intended to provide a summary description of the Code of Ethics of Up Financial USA. If you wish to review the Code of Ethics in its entirety, you should send us a written request and upon receipt of your request, we will promptly provide a copy of the Code of Ethics to you.

### **Affiliate and Employee Personal Securities Transactions Disclosure**

Up Financial USA or supervised persons of the firm buy and sell for their personal accounts, investment products identical to those recommended to clients. This creates a conflict of interest. It is the express policy of Up Financial USA that all persons associated in any manner with our firm must place clients’ interests ahead of their own when implementing personal investments. As is required by our internal procedures manual, Up Financial USA and its supervised persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of employment or association with our firm unless the information is also available to the investing public upon reasonable inquiry.

We are now and will continue to be in compliance with applicable state and federal rules and regulations. To mitigate conflicts of interest that can occur when access persons manage their personal accounts at the same time Up Financial USA manages client accounts, we have developed written supervisory procedures that include personal investment and trading policies for our supervised persons. Any supervised person not observing our policies is subject to sanctions up to and including termination.

## **Item 12 – Brokerage Practices**

When Up Financial USA is responsible for the implementation of investment recommendations, we are responsible to ensure that the client receives the best execution possible. Best execution does not necessarily mean that clients receive the lowest possible commission costs but that the qualitative execution is best. In other words, all conditions considered, the transaction execution is in your best interest. When considering best execution, we look at a number of factors besides prices and rates including, but not limited to:

- Execution capabilities (e.g., market expertise, ease/reliability/timeliness of execution, responsiveness, integration with our existing systems, ease of monitoring investments)
- Products and services offered (e.g., investment programs, back office services, technology, regulatory compliance assistance, research and analytic services)
- Financial strength, stability and responsibility
- Reputation and integrity

- Ability to maintain confidentiality

We exercise reasonable due diligence to make certain that best execution is obtained for all clients when implementing any transaction by considering the back office services, technology and pricing of services offered.

### **Brokerage Recommendations**

If we assist you in the implementation of any recommendations, Interactive Brokers will be used as the broker/dealer for your account. Up Financial USA is independently owned and operated and not affiliated with Interactive Brokers.

Interactive Brokers provides Up Financial USA with access to their institutional trading and custody services, which are typically not available to retail investors. The services from Interactive Brokers include brokerage services, custody, research tools, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Interactive Brokers also makes available to Up Financial USA other products and services that we benefit from but may not benefit your Account. Some of these other products and services assist us in managing and administering our clients' accounts. These benefits include software and other technology that:

- Provide access to client account data (such as trade confirmations and account statements)
- Facilitate trade executions (and allocation of aggregated trade orders for multiple client accounts)
- Provide research, pricing information, & other market data
- Facilitate payment of our fees from client accounts
- Assist with back-office functions, recordkeeping & client reporting

Many of these services generally may be used to service all or a substantial number of our clients' accounts. Interactive Brokers also makes available other services intended to help us manage and further develop our business. These services may include:

- Consulting, publications, & conferences on practice management
- Information technology
- Regulatory compliance
- Marketing

Our requirement that you maintain your assets in accounts at Interactive Brokers is based, at least in part, on the benefit to us of the availability of some of the foregoing products and services and not solely on the nature, cost, or quality of custody and brokerage services provided by Interactive Brokers. These arrangements are deemed to create a conflict of interest to the extent that we would have to pay for some or all of the research and/or services with "hard dollars" if we were unable to obtain the research and services in exchange for commissions in connection with client transactions.

To help mitigate this conflict of interest, we research and compare Interactive Brokers against their competitors. Moreover, client trades are always implemented based on the goals and objectives of the client and not on any research, products or other incentives available through Interactive Brokers. Finally, you are under no obligation or requirement to utilize our services and act on our recommendations.

Although we recommend and in some cases require the use of Interactive Brokers, depending on the situation and our ability to gain access to an account, clients can select the broker-dealer that will be used for their accounts if accepted and agreed to by Up Financial USA. Clients directing the use of a particular broker/dealer or other custodian must understand that we may not be able to obtain the best prices and execution for the transaction. Under a client-directed brokerage arrangement, clients may receive less favorable prices than would otherwise be the case if the client had not designated a particular broker/dealer or custodian. Directed brokerage account trades are generally placed by Up Financial USA after effecting trades for other clients of Up Financial USA. In the event that a client directs Up Financial USA to use a particular broker or dealer, Up Financial USA may not be authorized to negotiate commissions and may be unable to obtain volume discounts or best execution. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to clients who direct Up Financial USA to use a particular broker or dealer versus clients who do not direct the use of a particular broker or dealer.

### **Block Trading Policy**

We may elect to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading and is used by our firm when Up Financial USA believes such action may prove advantageous to clients. If and when we aggregate client orders, allocating securities among client accounts is done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently.

Up Financial USA uses the average price allocation method for transaction allocation. Under this procedure Up Financial USA will calculate the average price and transaction charges for each transaction included in a block order and assign the average price and transaction charge to each allocated transaction executed for the client's account.

If and when we determine to aggregate client orders for the purchase or sale of securities, including securities in which Up Financial USA or our associated persons may invest, we will do so in accordance with the parameters set forth in the SEC No-Action Letter, SMC Capital, Inc. Neither we nor our associated persons receive any additional compensation as a result of block trades.

## **Item 13 – Review of Accounts**

### **Account Reviews and Reviewers**

Managed accounts are reviewed at least quarterly. While the calendar is the main triggering factor, reviews can also be conducted at your request. Account reviews will include investment strategy and objectives review and making a change if strategy and objectives have changed. Reviews are conducted by Elijah Kirchmaier and Nathan Wood, Directors and Investment Adviser Representatives of Up Financial USA Inc., with reviews performed in accordance with your investment goals and objectives.



## **Statements and Reports**

For our asset management services, you are provided with transaction confirmation notices and regular quarterly account statements in writing directly from the qualified custodian (e.g., Interactive Brokers).

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

Up Financial USA does not directly or indirectly compensate any person for client referrals.

The only compensation received from advisory services is the fees charged for providing investment advisory services as described in *Item 5 – Fees and Compensation*. Up Financial USA receives no other forms of compensation in connection with providing investment advice.

### **Item 15 – Custody**

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented.

Up Financial USA is deemed to have custody of client funds and securities whenever Up Financial USA is given the authority to have fees deducted directly from client accounts. However, this is the only form of custody Up Financial USA will ever maintain. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

For accounts in which Up Financial USA is deemed to have custody, we have established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from Up Financial USA. When clients have questions about their account statements, they should contact Up Financial USA or the qualified custodian preparing the statement.

### **Item 16 – Investment Discretion**

When providing asset management services, Up Financial USA maintains trading authorization over your Account and can provide management services on a **discretionary** basis. When discretionary authority is granted, we will have the authority to determine the type of securities and the amount of securities that can be bought or sold for your portfolio without obtaining your consent for each transaction.

If you decide to grant trading authorization on a **non-discretionary** basis, we will be required to contact you prior to implementing changes in your account. Therefore, you will be contacted and required to accept or reject our investment recommendations including:

- The security being recommended
- The number of shares or units
- Whether to buy or sell

Once the above factors are agreed upon, we will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If your accounts are managed on a non-discretionary basis, you need to know that if we are not able to reach you or you are slow to respond to our request, it can have an adverse impact on the timing of trade implementations and we may not achieve the optimal trading price.

Provisions for discretionary or non-discretionary trading authorization will be set forth, in writing, within our investment advisory client agreement.

You will have the ability to place reasonable restrictions on the types of investments that may be purchased in your Account. You may also place reasonable limitations on the discretionary power granted to Up Financial USA so long as the limitations are specifically set forth or included as an attachment to the client agreement.

### **Item 17 – Voting Client Securities**

Up Financial USA does not vote proxies on behalf of clients. We have determined that taking on the responsibilities for voting client securities does not add enough value to the services provided to you to justify the additional compliance and regulatory costs associated with voting client securities. Therefore, it is your responsibility to vote all proxies for securities held in Account.

You will receive proxies directly from the qualified custodian or transfer agent; we will not provide you with the proxies. You are encouraged to read through the information provided with the proxy-voting documents and make a determination based on the information provided.

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

Up Financial USA does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for the most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, Up Financial USA has not been the subject of a bankruptcy petition at any time.

### **Customer Privacy Policy Notice**

The information contained in this section is also detailed in the *Privacy Requirements* section of Up Financial USA's *Compliance Policies and Procedures Manual*. This statement is provided to all clients in accordance with the rules and regulations of *Regulation S-P*.

As an investment adviser, Up Financial USA Inc. and its investment adviser representatives will gather and develop personal information regarding our clients. This information will be gathered and developed by us for the following purposes:

1. To determine the client's financial goals and objectives
2. To determine the level of advisory services needed and desired by the client
3. To provide the client with specific recommendations regarding advisory services
4. To provide the client with specific recommendations regarding financial products

5. To provide ongoing support and recommendations regarding financial products held in the client's account

Client information that Up Financial USA Inc. will collect may include, but not be limited to the following:

- Information received from clients on financial inventories through consultations with its representatives. This information may include personal and household information such as income, spending habits, investment objectives, financial goals, statements of account and other records concerning the clients' financial conditions and assets, together with information concerning employee benefits and retirement plan interests, wills, trusts, mortgages and tax returns.
- Information developed as part of financial plans, analyses or investment advisory services.
- Information concerning investment advisory account transactions, such as wrap account transactions.
- Information about clients' financial products and services transactions with Up Financial USA Inc.

All information provided by clients to Up Financial USA Inc. (including our investment advisor representatives and administrative personnel), and information and advice furnished by Up Financial USA Inc. to you, is treated as confidential and not disclosed to affiliated or unaffiliated third parties, except as (1) permitted by you with written authorization, (2) shared in a manner necessary to facilitate the advisory services provided by Up Financial USA Inc. or (3) as required by any rule, regulation or law of any regulatory or self-regulatory organization to which Up Financial USA Inc. or our investment advisor representatives may be subject.

For example: you may ask Up Financial USA Inc. to provide information to your other services providers, such as your accountant, and we are pleased to be of assistance when you direct us to share information. Regulatory and self-regulatory bodies generally conduct routine audits of investment advisers to review books and records, and in the process may review client information. Additionally, your account custodians and their personnel will have access to and review client data for their internal purposes.

When a client account is closed, Up Financial USA Inc. will continue to keep all client information confidential in accordance with the principles stated in its privacy policy.

A copy of the Privacy Policy Notice will be delivered to all clients in writing by at least one of the following methods:

- By hand delivering a copy to the client
- Mailing a copy to the client's address on record
- If business is conducted electronically, a notice may be posted on an electronic site as long as the client acknowledges receipt of the Privacy Policy Notice prior to the client obtaining any services or products from Up Financial USA Inc.

A copy of the Privacy Policy Notice will be provided to the client no later than the time a client establishes a relationship with Up Financial USA Inc., unless this situation would cause a delay in the client obtaining services and the client agrees to accept the notice at a later date. When this situation applies, a copy of the Privacy Policy Statement will be delivered to the client within a reasonable time period following the transaction.

Any time a change is made to the Privacy Policy, the statement to clients will be revised. The revised statement will be given to all affected clients prior to any disclosure of information. In addition, Up Financial USA Inc. will provide a copy of its Privacy Policy Statement to all current and existing clients at least annually.