

February 28, 2024

Form ADV Part 2A: Firm Brochure

**Item 1 Cover Page**

**Firm Brochure**

**Wellington-Altus USA Inc.**

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Winnipeg, Manitoba, Canada R3B 3K6  
888-315-8729

**This brochure provides information about the qualifications and business practices of Wellington-Altus USA Inc.**

**If you have any questions about the contents of this brochure, please contact us at 888-315-8729.**

**The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Registration as an investment adviser does not imply that Wellington-Altus USA Inc. or any of its principals or employees possess a particular level of skill or training in the investment advisory business or other business.**

**Additional information about Wellington-Altus USA Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**



## Item 2 Material Changes

There have been no material changes made to this Brochure since our last Annual Amendment Filing.

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#### Item 4 Advisory Business

Wellington-Altus USA Inc. ("WA (USA)") is a wholly owned subsidiary of Wellington-Altus Financial Inc. ("WAFI"), a Canadian holding company. References throughout this brochure to "Investment Advisor" refer to individuals that provide investment advice on behalf of WA (USA).

WA (USA) offers its clients two different types of discretionarily managed accounts, on either a wrap or non-wrap fee basis. In either instance, WA (USA) tailors its services to the individual needs of clients. More information about the type of accounts WA (USA) offers is below.

**Managed Accounts:** These discretionary accounts provide your Investment Advisor with the authority to make investment decisions on your behalf, based on well-defined guidelines established in your Investment Policy Statement. You can impose restrictions on the types of securities or types of investing done in these accounts.

**Separately Managed Account Program ("SMA Program" or "SMA Account"):** A discretionary investment platform that can be customized by you and your Investment Advisor. The SMA Program provides access to investment managers across a range of mandates, regions, asset classes and investment styles. Each manager is selected for their expertise in a specific investment product, strategy or geographic region, as your mandate dictates. There is a limited ability to restrict each manager in the SMA Programs, but there is the ability to restrict which managers and types of assets that your account may use.

**Wrap Program Disclosure** The services offered under, and the corresponding terms and conditions pertaining to, our Wrap Program are discussed in our Wrap Program Brochure a copy of which is presented to all prospective Wrap Program participants. Under the Program, the WA (USA) is able to offer participants discretionary investment management services, for a single specified annual Wrap Program fee, inclusive of trade execution, custody, reporting, and investment management fees.

The terms and conditions for client participation in the Wrap Program are set forth in detail in the Wrap Program Brochure, which is presented to all prospective Wrap Program participants in accordance with the disclosure requirements of Part 2A Appendix 1 of Form ADV. All prospective Program participants should read both this Brochure and the Wrap Program Brochure, and ask any corresponding questions that they may have, prior to participation in the Wrap Program.

RBC Capital Markets, LLC ("RBC") shall serve as the custodian for Wrap Program accounts.

As indicated in the Wrap Program Brochure, participation in the Wrap Program may cost more or less than purchasing such services separately. As also indicated in the Wrap Program Brochure, the Wrap Program fee charged by WA (USA) for participation in the Wrap Program may be higher or lower than those charged by other sponsors of comparable wrap fee programs.

As of February 12, 2024, WA (USA) managed \$81,288,502.75 on a discretionary basis.

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

WA (USA) offers its services on a fee basis, which may include fixed fees, as well as fees based on assets under management. WA (USA) charges clients a minimum fee of \$1,000 per year.

#### **Financial Planning Fee**

Financial planning services are generally provided free of charge to clients of WA (USA), but in some instances, depending on the level and scope of such services, WA (USA) may charge a fixed fee and/or hourly fee for financial planning services. Such fees are negotiable. Before charging any fees, WA (USA) will notify the client and the client will be asked to enter into a written financial planning agreement.

#### **Investment Management Fee**

For both Managed Accounts and the Separately Managed Account Program, WA (USA) provides investment management services for an annual fee based upon a percentage of the market value of the assets managed by WA (USA). Unless engaged on a wrap fee basis, WA (USA)'s annual fee is exclusive of, and in addition to brokerage commissions, transaction fees. However, all clients will be responsible for management fees imposed by mutual fund and SMA Account managers, and other related costs and expenses, which are incurred by the client. WA (USA) does not, however, receive any portion of these commissions, fees, and costs. WA (USA)'s annual fee is prorated and charged monthly or quarterly, in arrears, and is calculated based upon the monthly average account balance of the billable assets being managed by WA (USA). For partial billing periods, WA (USA) only charges fees for the period where it manages an account. Upon account termination, WA (USA) client's fees become due and payable.

The annual fee varies (between 0.25% and 2.75%) depending upon the market value of the assets under management, the client and the type of investment management services to be rendered, negotiations between WA (USA) and various other factors.

WA (USA), in its sole discretion, may negotiate to charge a lesser or different management fee, depending upon objective and subjective factors including but not limited to: the amount of assets to be managed; portfolio composition; the scope and complexity of the engagement; the anticipated number of meetings and servicing needs; related accounts; future earning capacity; anticipated future additional assets; the professional(s) rendering the service(s); prior relationships with WA (USA) and/or its representatives, and negotiations with the client. As a result of these factors, similarly situated clients could pay different fees, the services to be provided by WA (USA) to any particular client could be available from other advisers at lower fees, and certain clients may have fees different than those discussed above.

#### **Fees Charged by Financial Institutions**

As further discussed in response to Item 12 (below), WA (USA)'s clients must use the brokerage and clearing services of a custodian approved by WA (USA) ("Custodian") for investment management accounts. WA (USA) is not affiliated with any Custodian, but uses them to custody client assets and execute client transactions.

WA (USA) may only implement its investment management recommendations for the client after the client has arranged for and furnished WA (USA) with all information and authorization regarding accounts with Custodian.

Clients may incur certain charges imposed by Custodian and other third parties. Some of the more common fees that the client may incur are custodial fees, charges imposed directly by a mutual fund or exchange-traded fund ("ETF") owned by the client, which are disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Clients in the Separately Managed Account Program will also bare additional management fees charged by the investment manager or managers that manages all or a portion of the client's account. These additional fees are disclosed in each investment manager's brochure or client agreement, a copy of which the client will receive prior to incurring any fees. Additionally, clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of, and in addition to, WA (USA)'s fee. Additional information about brokerage and other transaction costs can be found in Item 12 below. Clients who engage WA (USA) on a wrap fee basis shall not incur brokerage commissions and/or transaction fees in addition to WA (USA)'s investment management fee.

WA (USA)'s agreement with Custodian authorizes the Custodian to debit the client's account for the amount of WA (USA)'s fee and to directly remit that management fee to WA (USA). Custodian has agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to WA (USA).

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

WA (USA) does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains or on capital appreciation of the assets of a client. WA (USA) also does not engage in side-by-side management.

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

WA (USA) provides its services to individuals, trusts, estates, corporations and business entities. Clients must typically place a minimum of \$100,000 in assets under WA (USA)'s management, but this may be waived at WA (USA)'s discretion.

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

The investment advisors at WA (USA) have a strong wealth management history. This involves selecting appropriate investments for their clients from a broad spectrum of products. It is for this reason that the investment advisors who choose to offer services to residents of the United States through WA (USA) follow in this path. As such, WA (USA) will offer its clients equities, fixed income, options, mutual funds, and other securities, depending on client need and preference.

When selecting securities, WA (USA) may use a combination of fundamental and technical analysis to formulate its investment advice.

In the use of fundamental analysis, WA (USA) may use a combination of both top down analysis and bottom up security analysis. Depending upon the investment strategy top down analysis may be used to evaluate macro-economic and industry factors, such as economic cycles, broad industry trends and global trends to assist in the determination of the potential prospects of a particular business or assist in the determination of an appropriate asset or sector allocation.

Fundamental analysis involves the review of a company's financial statements and health, its management and competitive advantages, and its competitors and markets. Typically, a bottom up review of the company is used to determine if the projected growth and/or earnings potential is fully valued in the price of the investment. WA (USA) may use the two approaches in conjunction to identify the most favorable securities within the most favorable sectors.

Technical analysis, which includes the evaluation of such factors such as price momentum and relative price strength, may be used as an adjunct to fundamental analysis to assist in the confirmation of trading or investment decisions that are formulated.

WA (USA) will also use an asset allocation model. In this model, investments will be selected from asset classes such as growth equities, dividend paying equities, fixed income securities, and other types of securities, based on market cycles and client need.

In general, investing in securities involves risk of loss that clients should be prepared to bear. Loss may arise due to general market fluctuations or securities that underperform or both. WA (USA) uses asset allocation and diversification to mitigate these and other risks, but the client should be prepared for market volatility and potential loss of investment capital.

Below are additional disclosures and risk factors associated with WA (USA)'s management of client accounts.

**Use of Mutual Funds and Exchange Traded Funds.** WA (USA) may invest clients in publicly available mutual funds and exchange traded funds that the client could obtain without engaging WA (USA) as an investment adviser. However, if a client or prospective client determines to allocate investment assets to publicly available mutual funds or exchange traded funds without engaging WA (USA) as an investment adviser, the client or prospective client would not receive the benefit of WA (USA)'s initial and ongoing investment management services.

**Client Obligations.** WA (USA) will not be required to verify any information received from the client or from the client's other professionals and is expressly authorized to rely on the information in its possession. Clients are responsible for promptly notifying WA (USA) if there is ever any change in their financial situation or investment objectives so that WA (USA) can review, and if necessary, revise its previous recommendations or services.

**Idle Assets.** At any time and for a substantial length of time WA (USA) may hold a significant portion of a client's assets in cash or money market mutual funds. Investments in these assets may cause a client to miss out on upswings in the markets. Unless we expressly agree otherwise in writing, account assets

consisting of cash and money market mutual funds are included in the value of an account's assets for purposes of calculation of the WA (USA)'s fees.

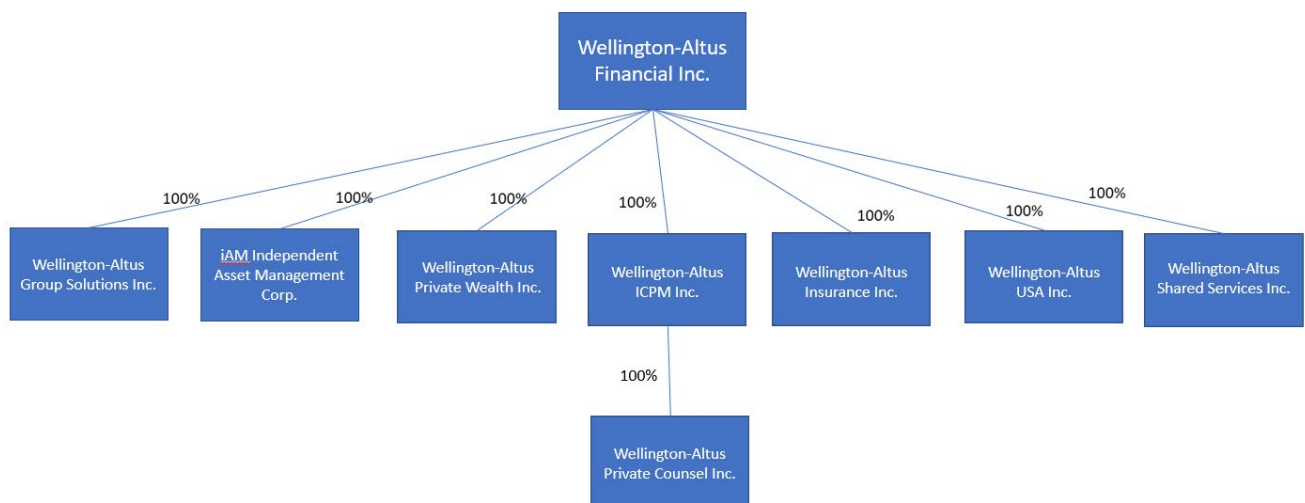
**Portfolio Activity.** WA (USA) has a fiduciary duty to provide services consistent with the client's best interest. As part of our investment advisory services, we will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including but not limited to investment performance, fund manager tenure, style drift, account additions/withdrawals, the client's financial circumstances, and changes in the client's investment objectives. Based upon these and other factors, there may be extended periods of time when WA (USA) determines that changes to a client's portfolio are neither necessary nor prudent. Clients nonetheless remain subject to the fees described in this Item 5 during periods of account inactivity.

## Item 9 Disciplinary Information

WA (USA) is required to disclose the facts of any legal or disciplinary events that are material to a client's or prospective client's evaluation of its advisory business or the integrity of management. WA (USA) does not have any required disclosures in response to this Item.

## Item 10 Other Financial Industry Activities and Affiliations

### Corporate Structure



Wellington-Altus Financial Inc. ("WAFI") is a Canadian holding company. WAFI is owned by a combination of its employees and external investors and was created in October of 2016. WAFI owns 100% of each of its subsidiaries.

## **Wellington-Altus USA Inc. Form ADV Part 2A: Firm Brochure**

Wellington-Altus Private Wealth Inc. (“WAPW”) is a Canadian Investment Dealer that is a member of the Canadian Investment Regulatory Organization (CIRO). WA (USA) shares some office space and employees with WAPW. Specifically, certain of the officers and investment advisors of WAPW will be

employed and registered with both WA (USA) and WAPW. WA (USA) does not believe that any employee’s time spent on activities relating to WA (USA) or WAPW will create material conflicts of interest, but in any event, if such a material conflict of interest arises, it will be disclosed in the investment advisor’s brochure supplement. Some administrative functions will also be shared between the entities.

Wellington-Altus Insurance Inc. (“WAI”) is a Canadian insurance company licensed under applicable provincial insurance legislation. Some WAPW investment advisors are dually-licensed to provide investment advisory services through WAPW and sell insurance products through WAI.

Wellington-Altus ICPM Inc. is a Canadian holding company that currently owns the operating company Wellington-Altus Private Counsel Inc., a registrant in the categories of investment fund manager and portfolio manager with various Canadian provincial securities commissions.

Wellington-Altus Group Solutions Inc. (“WAGS”) is a group insurance, pension and benefits firm which is licensed as under applicable provincial insurance legislation. Some WAPW investment advisors are dually-licensed to provide investment advisory services through WAPW and provide group insurance, pension and benefits services through WAGS.

Wellington-Altus Shared Services Inc. is a non-financial services entity which houses the non-registered employees and various vendor contracts which are applicable or used in the day to day operations of the Wellington-Altus Group of Companies.

While these other related entities provide financial and insurance services to Canadian residents, WA (USA) has no business relationship with any of these entities.

### **Conflicts of Interest**

WA (USA) will use Custodian to maintain custody of client accounts and to execute client trades in order to remove any conflict of interest between WA (USA) and its affiliated entities.

As a wholly owned subsidiary of WAFI, WA USA may share certain real or perceived conflicts of interest with its affiliates for further information on the types of conflicts which could be applicable to WA (USA) please visit <https://wellington-altus.ca/wp-content/uploads/2023/11/WAPW-COI-Disclosure-Oct-2023.pdf>

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

WA (USA) has adopted a code of ethics (“Code of Ethics”) pursuant to Rule 204A-1 under the Investment Advisers Act of 1940, as amended (“Advisers Act”). In general, the Code of Ethics sets forth the standards



of conduct expected of its associated persons and requires compliance with applicable securities laws.

The Code of Ethics requires officers and employees of WA (USA) to perform the duties of their office or position honestly, in good faith, with integrity and adhere to their duty of loyalty to clients. Under the Code of Ethics, operations, activities and affairs of WA (USA) are to be kept confidential. In addition, employees must avoid any situation in which their personal interests conflict with their duties as an employee, officer or director of WA (USA).

The Code of Ethics applies to all full and part-time, permanent and contract employees of WA (USA). Under the Code of Ethics, WA (USA) and persons associated with WA (USA) ("Associated Persons") are permitted to buy or sell securities that WA (USA) recommends or purchases for clients (or sells or recommends that clients sell) as long as such practice is consistent with WA (USA)'s policies and procedures.

This practice creates a situation where WA (USA)'s Associated Persons are in a position to benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends a security for investment and then immediately sells it at a profit upon the rise in the market price that follows the recommendation). WA (USA) maintains policies that are intended to mitigate these conflicts of interest and reduce the risk that scalping occurs. These policies are discussed in detail below.

The Code of Ethics requires that certain of WA (USA)'s personnel (called "Access Persons") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings. Reports of all securities transactions made in Access Persons' personal securities accounts will be reviewed to identify, detect and resolve conflicts of interest.

When WA (USA) is purchasing or considering for purchase any security on behalf of a client, no Access Person may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when WA (USA) is selling or considering the sale of any security on behalf of a client, no Access Person may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security. These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

The Code of Ethics also addresses certain expectations of all persons subject to the Code of Ethics, which includes a gift and corporate opportunity policy, and restrictions on outside business activities.

All Associated Persons must acknowledge the terms of the Code of Ethics at least annually, or as the Code of Ethics is materially amended. Any Associated Person found to have violated the Code of Ethics may be subject to disciplinary action, including dismissal, and additional punishment under governing laws, if applicable.

Clients and prospective clients may contact WA (USA) at the phone number included on the cover of this brochure to request a copy of its Code of Ethics.

### **Item 12 Brokerage Practices**

WA (USA)'s clients use the services of Custodian for the execution, clearing and settling of their transactions. Custodian is used based on its financial strength, its requirement to seek best execution for its customers, its competitive pricing structure and its level of product and service offering. WA (USA) maintains policies and procedures to review the quality of executions obtained by Custodian to ensure that they are at a level satisfactory to WA (USA).

WA (USA) may aggregate purchase or sale orders for several client accounts when it appears that the clients will benefit from the practice. This will generally be a result of the availability, liquidity or volatility of a specific security. WA (USA) will undertake not to favor one advisory client over any other client. Each client will participate in an aggregated order at the average share price for all of WA (USA)'s transactions in that security on any given day, with transaction costs shared pro rata based on participation. Prior to entering an aggregated order, a written aggregation statement will be prepared, specifying the participating client accounts and method of allocation among accounts. Partially filled orders will be allocated pro rata based on the written aggregation statement. If an order must be allocated in a manner different from that in a written aggregation statement, all clients must receive fair and equitable treatment and the written rationale for the departure must be approved by WA (USA)'s compliance officer. For SMA Accounts, where other managers are responsible for managing a client account, their policies on order aggregation will apply and are available in the respective manager's Form ADV Part 2A.

#### Non-Soft Dollar Research and Additional Benefits

WA (USA) receives from its Custodian(s) (and potentially other broker-dealers, custodians, investment platforms, unaffiliated investment managers, vendors, or fund sponsors) free or discounted support services and products. Certain of these products and services assist WA (USA) to better monitor and service client accounts maintained at these institutions. The support services that WA (USA) obtains can include investment-related research; pricing information and market data; compliance or practice management-related publications; discounted or free attendance at conferences, educational or social events; or other products used by WA (USA) to further its investment management business operations.

Certain of the support services or products received may assist WA (USA) in managing and administering client accounts. Others do not directly provide this assistance, but rather assist WA (USA) to manage and further develop its business enterprise.

There is no corresponding commitment made by WA (USA) to any broker-dealer or Custodian or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products because of the above arrangements.

WA (USA) does not use "soft dollars" in relation to trading or brokerage activities for its clients.

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

WA (USA)'s supervisors monitor accounts on an ongoing basis and review client accounts quarterly at a minimum. Accounts are reviewed for continued suitability with the clients' objectives and for the investments expected performance relative to the clients need and market conditions. Each quarter the overall asset allocation is reviewed to ensure that it is consistent with the Investment Policy Statement for the client.

Clients of WA (USA) will receive quarterly account statements from Custodian and have online access to their accounts that will allow them to review their holdings and transactional information.

Clients are urged to independently review and reconcile their Custodian records with any reports that they receive directly from WA (USA).

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

WA (USA) is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. Item 12 contains a description of certain benefits that WA (USA) stands to receive from Custodians.

### **Item 15 Custody**

The Custodian, not WA (USA), maintains physical custody of client funds and securities.

WA (USA) assists its clients by arranging for Custodian to maintain custody of client funds and securities. WA (USA)'s agreement with Custodian authorizes WA (USA) to debit the client's account for the amount of WA (USA)'s fee and to directly remit that management fee to WA (USA) in accordance with applicable custody rules.

Custodian has agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to WA (USA). Clients should carefully review the statements sent directly by Custodian and compare them with any information, such as portfolio or performance reports sent to them directly by WA (USA), to make sure that all information is consistent.

### **Item 16 Investment Discretion**

WA (USA) may be given the authority to exercise discretion on behalf of clients. WA (USA) is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. WA (USA) is given this authority in the agreement between WA (USA) and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold, certain strategies not to be employed, certain asset classes to be avoided, etc.). WA (USA) takes discretion over the following activities:

- the securities to be purchased or sold;
- the amount of securities to be purchased or sold; and
- when transactions are made.

However, in making such decisions, WA (USA) will exercise diligence, competence and skill and will place the client's interest ahead of its own.

In exercising its discretion with respect to a client's account, WA (USA) will consider the client's investment objectives, investment limitations and any other restrictions that have been outlined by the client.

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

WA (USA) is required to disclose if it accepts authority to vote client securities. WA (USA) does not vote client securities on behalf of its clients. Clients receive proxies directly from the issuer and the Custodian and may contact WA (USA) with any questions by calling the number on the cover of this brochure.

WA (USA) will not be responsible and each client has the right and responsibility to take any action, and the right to initiate or pursue any legal proceeding with respect to transactions, securities or other investments held in the client's account or the issuers thereof.

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

WA (USA) does not require or solicit the prepayment of fees in advance. WA (USA) has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.