

February 28, 2024

Appendix 1A to Form ADV Part 2A: Wrap Fee Brochure

**Item 1 Cover Page**

**Firm Brochure**

**Wellington-Altus USA Inc.**

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**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).**



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### **Item 2           Material Changes**

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

### **Item 3           Table of Contents**

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### Item 4 Services, Fees and Compensation

WA (USA) offers its clients two different types of advisory 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.

#### Wellington-Altus Wrap Program

WA (USA) is the sponsor and investment manager of the Wellington-Altus Wrap Program (hereinafter the "Program"). Under the Wrap Program, 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 current annual Wrap Program fee ranges from 0.35% and 2.75%, of the total assets placed under WA (USA)'s management/advisement and shall be based upon the level and scope of the overall investment advisory services to be rendered, which is based upon various objective and subjective factors. These factors include, but are not limited to, the amount of the assets placed under WA (USA)'s management, the level and scope of financial planning and consulting services to be rendered, and the complexity of the engagement.

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

**Fee Calculation:** The fee charged is calculated as described above and is not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client.

**Fee Payment:** Clients will be charged in arrears at the end of each month or calendar quarter based upon the monthly daily 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.



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Participation in the Wrap Program may cost more or less than purchasing such services separately. 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.

The Wrap Program's fee does not include certain charges and administrative fees, including, but not limited to, fees charged by SMA Account managers, transaction charges (including mark-ups and mark-downs) resulting from trades effected through or with a broker-dealer other than *RBC*, transfer taxes, odd lot differentials, exchange fees, interest charges, American Depository Receipt agency processing fees, and any charges, taxes or other fees mandated by any federal, state or other applicable law or otherwise agreed to with regard to client accounts. Such fees and expenses are in addition to the Wrap Program's fee.

WA (USA)'s related persons who recommend the Wrap Program to clients do not receive additional or special compensation as a result of a client's participation in the Wrap Program.

### **Item 5 Account Requirements and 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 6 Portfolio Manager Selection and Evaluation**

WA (USA) may allocate a portion of a client's Wrap Program assets among unaffiliated SMA Account Managers in accordance with the client's designated investment objective(s). In such situations, the SMA Account Managers shall have day-to-day responsibility for the active discretionary management of the allocated Wrap Program assets. WA (USA) shall continue to render investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Factors which tWA (USA) shall consider in recommending SMA Account Managers include the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research.

The investment management fee charged by a SMA Account Manager is separate from, and in addition to, WA (USA)'s wrap fee and which will be disclosed to the client before entering into the SMA Account Manager engagement and/or subject to the terms and conditions of a separate agreement between the client and the SMA Account Manager.

### **Financial Planning Fee**

Financial planning services are generally provided free of charge to clients of WA (USA), but in some



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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.

WA (USA) shall provide investment advisory services specific to needs of each client. Prior to providing investment advisory services, an investment adviser representative will discuss with each client, their particular investment objective(s). WA (USA) shall allocate each client's investment assets consistent with their designated investment objective(s). Clients may, at any time, impose restrictions, in writing, on WA (USA)'s services.

If a client determines to engage WA (USA) on a wrap fee basis the client will pay a single fee for bundled services (i.e. investment advisory, brokerage, custody). The services included in a wrap fee agreement will depend upon each client's particular need. When managing a client's account on a wrap fee basis, WA (USA) shall receive as payment for its investment advisory services, the balance of the wrap fee after all other costs incorporated into the wrap fee have been deducted.

### **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.

### **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



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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



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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 above in Item 4 during periods of account inactivity.

### **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 7 Client Information Provided to Portfolio Managers**

WA (USA) shall be the Wrap Program's portfolio manager. WA (USA) shall provide investment advisory services specific to needs of each client. Prior to providing investment advisory services, an investment adviser representative will discuss with each client, their particular investment objective(s). WA (USA) shall allocate each client's investment assets consistent with their designated investment objective(s).

As indicated above, each client is advised that it remains their responsibility to promptly notify WA (USA) if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising WA (USA)'s previous recommendations and/or services.

To the extent the Wrap Program utilizes SMA Account managers, WA (USA) shall provide the SMA Account managers with each client's particular investment objective(s). Any changes in the client's financial situation or investment objectives reported by the client to WA (USA) shall be communicated to the SMA Account manager within a reasonable period.

### **Item 8 Client Contact with Portfolio Managers**

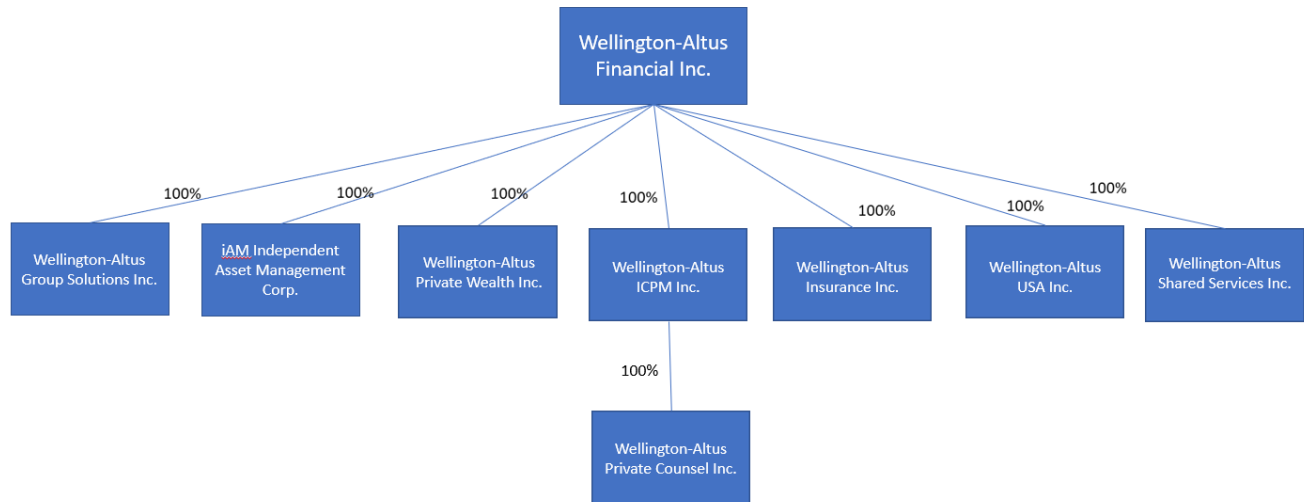
The client shall have, without restriction, reasonable access to the Wrap Program's portfolio manager.

### **Item 9 Additional Information**

WA (USA) has not been the subject of any disciplinary actions.

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### Other Financial Industry Activities and Affiliations



WAI is a Canadian holding company. WAI is owned by its employees and was created in October of 2016. WAI owns 100% of each of its subsidiaries.

Wellington-Altus Private Wealth Inc. (“WAPW”) is a Canadian investment dealer that is a member of the Investment Industry Regulatory Organization of Canada. WA (USA) shares some office space and employees with WAPW. Specifically, certain of the sales 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. (trade name TriVest Wealth Counsel).

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





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### **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.

### **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)



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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.

### **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).

### **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 of WA (USA)'s Brochure contains a description of certain benefits that WA (USA) stands to receive from Custodians.

### **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.