

Northfront Financial USA Inc Wrap Fee Program Brochure

This wrap fee program brochure provides information about the qualifications and business practices of Northfront Financial USA Inc. If you have any questions about the contents of this brochure, please contact us at (403) 571-8960 or by email at: shamez.kassam@northfront.com. 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.

Additional information about Northfront Financial USA Inc is also available on the SEC's website at www.adviserinfo.sec.gov. Northfront Financial USA Inc's CRD number is: 301105.

Northfront Financial USA Inc

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

Version Date: 03/26/2020

General

Item 2: Material Changes

Northfront Financial USA Inc has not yet filed an annual updating amendment to this Wrap Fee Program Brochure. There are the following material changes to report.

- Northfront Financial USA Inc has updated their Primary Office Address (Front Page).
- Northfront Financial USA Inc has updated fees (Item 4).

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Item 4: Advisory Business

A. Description of the Advisory Firm

Northfront Financial USA Inc (hereinafter “NFUI”) provides portfolio management to clients under this wrap fee program as sponsor and portfolio manager.

Total Assets Under Management	Annual Fees
\$0 - \$500,000	2.50%
\$500,001 - \$1,000,000	1.75%
\$1,000,001 - \$3,000,000	1.50%
\$3,000,001 - \$5,000,000	1.25%
\$5,000,001 – And Up	1.00%

Portfolio management fees are withdrawn directly from the client’s accounts with client’s written authorization on a quarterly basis. Fees are paid in arrears.

Fees are paid in arrears on a quarterly basis. The advisory fee is calculated using the value of the assets on the last business day of the prior billing period. Refunds for any fees paid in advance but not yet earned will be refunded on a prorated basis and returned within fourteen days to the client via check or return deposit back into the client’s account. For all asset-based fee, the fee collected will be the daily rate * times the number of days elapsed in the billing period up to and including the day of termination. (*The daily rate is calculated by dividing the annual asset-based fee rate by 365.)

These fees are generally negotiable and the final fee schedule will be memorialized in the client’s advisory agreement. Clients may terminate the agreement without penalty, for full refund of NFUI’s fees, within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract immediately upon written notice.

B. Contribution Cost Factors

The program may cost the client more or less than purchasing such services separately. There are several factors that bear upon the relative cost of the program, including the trading activity in the client’s account, the adviser’s ability to aggregate trades, and the cost of the services if provided separately (which in turn depends on the prices and specific services offered by different providers).

C. Additional Fees

NFUI will wrap third party fees (i.e., custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.) for wrap fee portfolio management accounts. NFUI will charge clients one fee, and pay all transaction fees using the fee collected from the client. Accounts participating in the wrap fee program are not charged higher advisory fees based on trading activity, but clients should be aware that NFUI has an incentive to limit trading activities for those accounts since the firm absorbs those transaction costs.

Certain other fees are not included in the wrap fee and are paid for separately by the client. These include, but are not limited to, margin costs, charges imposed directly by a mutual fund or exchange traded fund, fees associated with “step out” transactions if the account uses different custodians or broker-dealers, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

D. Compensation of Client Participation

Neither NFUI, nor any representatives of NFUI receive any additional compensation beyond advisory fees for the participation of client’s in the wrap fee program. However, compensation received may be more than what would have been received if client paid separately for investment advice, brokerage, and other services. Therefore, NFUI may have a financial incentive to recommend the wrap fee program to clients.

Item 5: Types of Clients

NFUI generally offers advisory services to High-Net-Worth Individuals

There is no account minimum.

Item 6: Portfolio Manager Selection and Evaluation

A. Selecting/Reviewing Portfolio Managers

NFUI will not select outside portfolio managers for management of this wrap fee program. NFUI will be the sole portfolio manager for this wrap fee program.

NFUI will use industry standards to calculate portfolio manager performance.

NFUI reviews the performance information to determine and verify its accuracy and compliance with presentation standards. The performance information is monthly and is reviewed by NFUI.

B. Related Persons

NFUI and its personnel serve as the portfolio managers for all wrap fee program accounts. This is a conflict of interest in that no outside adviser assesses NFUI's management of the wrap fee program. However, NFUI addresses this conflict by acting in its clients' best interest consistent with its fiduciary duty as sponsor and portfolio manager of the wrap fee program.

C. Advisory Business

NFUI offers ongoing wrap fee portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. NFUI creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels). Portfolio management services include, but are not limited to, the following:

- | | |
|---------------------------------|--------------------------------|
| • Determine investment strategy | • Personal investment policy |
| • Asset allocation | • Asset selection |
| • Assessment of risk tolerance | • Regular portfolio monitoring |

NFUI evaluates the current investments of each client with respect to their risk tolerance levels and time horizon.

NFUI will request discretionary authority from clients where possible in order to select securities and execute transactions without permission from the client prior to each transaction.

Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

Portfolio management accounts participating in the wrap fee program will not have to pay for transaction or trading fees. NFUI will charge clients one fee, and pay transaction fees using the advisory fee collected from the client. Certain other fees are not included in the wrap fee and are paid for separately by the client. These include, but are not limited to, margin costs, charges imposed directly by a mutual fund or exchange traded fund, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Accounts participating in the wrap fee program are not charged higher advisory fees based on trading activity, but clients should be aware that NFUI has an incentive to limit trading activities for those accounts since the firm absorbs those transaction costs. To address this conflict, NFUI will always act in the best interest of its clients consistent with its fiduciary duty as an investment adviser.

Services Limited to Specific Types of Investments

NFUI generally limits its investment advice to mutual funds, alternative investments, equities, fixed income securities, and ETFs. NFUI may use other securities as well to help diversify a portfolio when applicable.

Client Tailored Services and Client Imposed Restrictions

NFUI will tailor a program for each individual client. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by NFUI on behalf of the client. NFUI will utilize a risk tolerance appraisal as a starting place for further discussion. An in-depth subjective conversation then occurs between each client and NFUI, to deeply understand the client's goals and objectives, and how they feel about risk from a practical perspective. The standard risk tolerance information is then combined with the subjective discussion to arrive to the most appropriate portfolio for the client. NFUI may use model allocations together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. Clients are not permitted to impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

Wrap Fee Programs

As discussed herein, NFUI sponsors and acts as portfolio manager for this wrap fee program. NFUI manages the investments in the wrap fee program, but does not manage those wrap fee accounts any differently than it would manage non-wrap fee accounts. The fees paid to the wrap account program will be given to NFUI as a management fee.

Amounts Under Management

NFUI has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$3,270,126	\$1,401,189	December 2019

Performance-Based Fees and Side-By-Side Management

NFUI does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Clients paying a performance-based fee should be aware that investment advisers have an incentive to invest in riskier investments when paid a performance-based fee due to the higher risk/higher reward attributes.

Methods of Analysis and Investment Strategies

Methods of Analysis

NFUI's methods of analysis include fundamental, technical, and quantitative analyses.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Technical analysis involves the analysis of past market data; primarily price and volume.

Quantitative analysis deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

Investment Strategies

NFUI uses/recommends a diversified, long term investing approach

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Material Risks Involved

Methods of Analysis

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

Quantitative Model Risk: Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

Investment Strategies

Long term investing is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk,

interest rate risk, economic risk, market risk, and political/regulatory risk.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Risks of Specific Securities Utilized

Equity investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

Fixed income investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. Fixed income investments do have volatility and carry interest rate risk (as interest rates rise, bond prices usually fall, and vice versa; this effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on government inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

Exchange Traded Funds (ETFs): An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Because ETFs use "authorized participants" (APs) as agents to facilitate creations or redemptions (primary market), there is a risk that an AP decides to no longer participate for a particular ETF; however, that risk is mitigated by the fact that other APs can step in to fill the vacancy of the withdrawing AP [an ETF typically has multiple APs] and ETF transactions predominantly take place in the secondary market without need for an AP. Like other liquid securities, ETF pricing changes throughout the trading day and there can be no guarantee that an ETF is purchased at the optimal time in terms of market movements. Moreover, due to market fluctuations, ETF brokerage costs, differing demand and characteristics of underlying securities, and other factors, the price of an ETF can be lower than the aggregate market price of its cash and component individual securities (net asset value – NAV). An ETF is subject to the same market risks as those of its underlying individual securities, and also has internal expenses that can lower investment returns.

Mutual Funds: Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature.

Alternative Investments: Alternative investments provide a source of return that can be less correlated to traditional public markets. Examples include mortgages, infrastructure, real estate, and private equity. Such investments may be of higher risk in nature and have less liquidity than traditional public investments.

Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Voting Client Securities (Proxy Voting)

NFUI will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

Item 7: Client Information Provided to Portfolio Managers

All client information material to managing the portfolio (including basic information, risk tolerance, sophistication level, and income level) is provided to the portfolio manager. The portfolio manager will also have access to that information as it changes and is updated.

Item 8: Client Contact with Portfolio Managers

NFUI does not restrict clients from contacting portfolio managers. NFUI's representatives can be contacted during regular business hours using the information on the Form ADV Part 2B cover page.

Item 9: Additional Information

A. Disciplinary Action and Other Financial Industry Activities

Criminal or Civil Actions

There are no criminal or civil actions to report.

Administrative Proceedings

There are no administrative proceedings to report.

Self-Regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

Registration as a Broker/Dealer or Broker/Dealer Representative

Neither NFUI nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither NFUI nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

Neither NFUI nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections

NFUI does not select third-party investment advisers.

B. Code of Ethics, Client Referrals, and Financial Information

Code of Ethics

NFUI has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. NFUI's Code of Ethics is available free upon request to any client or prospective client.

Recommendations Involving Material Financial Interests

NFUI does not recommend that clients buy or sell any security in which NFUI or a related person has a material financial interest.

Investing Personal Money in the Same Securities as Clients

From time to time, representatives of NFUI may buy or sell securities for themselves that

they also recommend to clients. In theory, this may provide an opportunity for representatives of NFUI to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. However, NFUI has a strict employee trading policy that all staff must adhere to. This policy presents such conflicts of interest. NFUI will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of NFUI may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of NFUI to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, NFUI will never engage in trading that operates to the client's disadvantage if representatives of NFUI buy or sell securities at or around the same time as clients.

Frequency and Nature of Periodic Reviews

Accounts are reviewed at least monthly by Shamez Kassam, Partner, with regard to clients' respective investment policies and risk tolerance levels.

Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

Content and Frequency of Regular Reports Provided to Clients

Each client will receive a quarterly account statement from the custodian. NFUI will also provide at least quarterly a separate written report to the client.

Economic Benefits Provided by Third Parties for Advice Rendered to Clients

NFUI does not receive any economic benefit, directly or indirectly from any third party for advice rendered to NFUI clients.

Compensation to Non – Advisory Personnel for Client Referrals

NFUI does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

Balance Sheet

NFUI neither requires nor solicits prepayment of more than \$1,200 / \$500.

Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

NFUI does not have any financial condition that would impair its ability to meet contractual commitments to clients.

Bankruptcy Petitions in Previous Ten Years

NFUI has not been the subject of a bankruptcy petition.

Item 10: Requirements For State Registered Advisers

Please see the *“Recommendations Involving Material Financial Interests”* and *“Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests”* sections above.