

**Item 1    Cover Page**

# **Wedge Financial, Inc.**

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**wedge.us**

**May 2021**

This Brochure provides information about the qualifications and business practices of Wedge Financial, Inc. ("Wedge Financial", "us", "we", "our"). If you have any questions about the contents of this Brochure, please contact us at (409) 789-7688 or via email at [administrator@wedge.us](mailto:administrator@wedge.us). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Wedge Financial is also available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by using a unique identifying number, known as a CRD number. The CRD number for Wedge Financial is 315160. The SEC's web site also provides information about any persons affiliated with Wedge Financial who are registered, or are required to be registered, as Investment Adviser Representatives of Wedge Financial.

Wedge Financial is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information that you may use to determine whether to hire or retain them.

## **Item 2    Material Changes**

This is a new adviser. This Brochure, dated May 2021, is a new document that describes the adviser's business.

In the future, this section of the Brochure will discuss only the specific material changes that were made to the Brochure and will provide you with a summary of all material changes that have occurred since the last filing of this Brochure. This section will also identify the date of our last annual Brochure update.

We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year end which is December 31. We will provide other ongoing disclosure information about material changes as they occur. We will also provide you with information on how to obtain the complete brochure. Currently, our Brochure may be requested at any time, without charge, by contacting Billy Roberts at (409) 789-7688.

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## Item 4 – Advisory Business Introduction

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### Our Advisory Business

Wedge Financial is a registered investment adviser with the Securities and Exchange Commission (“SEC”). The Adviser was founded in 2021 by its principal owner and CCO, Billy Roberts.

### Services

Wedge Financial is a financial services application (“app”) whose mission is to provide to its users a simple and frictionless way to achieve responsible access to markets, while incentivizing good financial planning. Central to the Wedge mission is a focus on providing asset liquidity to users when it is needed for daily transactions, while providing a toolset that rewards them for savings and investing soundly. To provide these services we will link a virtual debit card to an existing bank account, purchase fractional shares of equities through our provider’s platform and allow for equities to be liquidated to pay for transactions. Additionally, we will provide basic investment educational services through the app.

### Asset Management

The Adviser does not provide active asset management. Upon establishing an account, the client will be required to provide certain information that will be used by the app to provide investment recommendations of securities available through the app. The client will be free to employ those recommendations in whole, in part, or choose their own portfolio composition. The app also allows the user to set up automatic investment plans where the app will purchase securities on a regular basis.

The Wedge app allows for users to purchase fractional shares/pieces of the shares. If a user elects to purchase shares, the current market price is used to establish the purchase price of the Shares. We ensure that best market pricing is passed on the user through aggregate buy orders.

### Tailored Asset Management Services

We do not offer tailored asset management services. All investments made in client accounts will be at the direction of the client based on recommendations made by the app.

### Financial Education

As part of the user’s subscription, the app will provide basic market commentary at no additional cost.

### Wrap Fee

The Adviser does not sponsor or participate in a third-party sponsored wrap fee program.

### Assets Under Management

As of the date of this ADV Part 2 Brochure we do not have any asset under management, as we are a new adviser in 2021.

## Item 5 – Fees and Compensation

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### Service Fee

Wedge users will pay a fixed monthly Fee of \$2.00 per month for access to the App and its tools.

### Automatic Payment of Fee

The Client agrees to authorize the Custodian to pay directly to Wedge Financial the monthly services fee. Fee withdrawals will occur no more frequently than monthly from the Client's custodial Account.

The Custodian will send to the Client a statement, at least quarterly, indicating all amounts disbursed from the Account, including the fee paid directly to Wedge Financial. Wedge Financial's access to the Assets of the Account will be limited to trading and the withdrawals authorized above.

### Third-party Fees

Our fees do not include brokerage commissions, transaction fees, and other related costs and expenses. You may incur certain charges imposed by custodians and other third parties. These include fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, commissions and other fees and taxes on brokerage accounts and securities transactions. Exchange-traded funds (ETFs) also charge internal management fees, which are disclosed in the fund's prospectus. These fees may include, but are not limited to, a management fee, upfront sales charges, and other fund expenses. Certain strategies offered by us may involve investment in mutual funds and/or ETFs. We do not receive any compensation from these fees. All of these fees are in addition to the management fee you pay us. You should review all fees charged to fully understand the total amount of fees you will pay. Services similar to those offered by us may be available elsewhere for more or less than the amounts we charge. Our brokerage practices are discussed in more detail under Item 12 – Brokerage Practices.

All recommendations developed by us are based upon our professional judgment. We cannot guarantee the results of any of our recommendations.

## Item 6 – Performance Based Fee and Side by Side Management

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We do not charge any performance-based fees. These are fees based on a share of capital gains on or capital appreciation of the assets of a client. The Adviser does not manage both accounts that are charged a performance-based fee and accounts that are charged another type of fee which would allow the adviser to manage separately managed accounts on a side by side basis.

## Item 7 – Types of Clients

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We provide investment advisory services through the Wedge app to individuals. There is no minimum account balance to open an account, however, the user may not purchase assets through the platform unless their checking account balance has sufficient funds to do so pursuant to the investing strategy contemplated.

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

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### Methods of Analysis

#### Modern Portfolio Theory (MPT)

We use Modern Portfolio Theory to help select the products available through the app.

Modern portfolio theory tries to understand the market as a whole, rather than looking for what makes each investment opportunity unique. Investments are described statistically, in terms of their expected long-term return rate and their expected short-term volatility. The volatility is equated with "risk," measuring how much worse than average an investment's bad years are likely to be. The end goal is to identify your acceptable level of risk tolerance, and then to find a portfolio with the maximum expected return for that level of risk.

In order to perform this analysis, we use many resources, such as:

- Morningstar
- Financial newspapers and magazines (e.g. Wall Street Journal, Forbes, etc.)
- Annual reports, prospectuses, filings
- Company press releases and websites

### Investment Strategies

As stated above, we will make recommendations based on the parameters and information provided during the account opening process. The recommendations made through the app include, but are not limited to:

- Long term purchases -securities held at least a year
- Short term purchases - securities sold within a year
- Trading -securities sold within 30 days

### Risk of Loss

We cannot guarantee our analysis methods will yield a return. In fact, a loss of principal is always a risk. Investing in securities involves a risk of loss that you should be prepared to bear. You need to understand

that investment decisions made for your account by us are subject to various market, currency, economic, political and business risks. The investment decisions we make for you will not always be profitable nor can we guarantee any level of performance.

A list of all risks associated with the strategies, products and methodology we offer are listed below:

### **Modern Portfolio Theory (MPT) Risk**

Modern Portfolio Theory tries to understand the market as a whole and measure market risk in an attempt to reduce the inherent risks of investing in the market. However, with every financial investment strategy there is a risk of a loss of principal. Not every investment decision will be profitable, and there can be no guarantee of any level of performance.

### **Exchange Traded Fund ("ETF") Risk**

Most ETFs are passively managed investment companies whose shares are purchased and sold on a securities exchange. An ETF represents a portfolio of securities designed to track a particular market segment or index. ETFs are subject to the following risks that do not apply to conventional funds:

- The market price of the ETF's shares may trade at a premium or a discount to their net asset value;
- An active trading market for an ETF's shares may not develop or be maintained; and
- There is no assurance that the requirements of the exchange necessary to maintain the listing of an ETF will continue to be met or remain unchanged

### **Overall Risks**

Clients need to remember that past performance is no guarantee of future results. All funds carry some level of risk. You may lose some or all of the money you invest, including your principal, because the securities held by a fund goes up and down in value. Dividend or interest payments may also fluctuate, or stop completely, as market conditions change.

Before you invest, be sure to read a fund's prospectus and shareholder reports to learn about its investment strategy and the potential risks. Funds with higher rates of return may take risks that are beyond your comfort level and are inconsistent with your financial goals.

While past performance does not necessarily predict future returns, it can tell you how volatile (or stable) a fund has been over a period of time. Generally, the more volatile a fund, the higher the investment risk. If you'll need your money to meet a financial goal in the near-term, you probably can't afford the risk of investing in a fund with a volatile history because you will not have enough time to ride out any declines in the stock market.

## **Item 9 – Disciplinary Information**

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Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management. We do not have any information to disclose concerning Wedge Financial or any of our IARs. We adhere to high ethical standards for all IARs and associates.

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

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Neither Wedge Financial nor any of its management persons are registered as a broker-dealer or registered as a representative of a broker-dealer, nor does it have any pending application to register. In addition, neither Wedge Financial nor its management persons are affiliated with any broker-dealer.

Wedge Financial and its management persons are not registering as a commodity pool operator, futures commission merchant, or commodity trading advisor.

### **Other Financial Industry Affiliations**

Neither Wedge Financial nor its associated persons have any industry affiliations to disclose. Wedge Financial is also a technology development firm. As such, we will be developing software and data analysis toolsets to further the efficiency of the business and services offered.

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

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### **General Information**

We have adopted a Code of Ethics describing its high standards of business conduct, and fiduciary duty to you, our client. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts, the reporting of certain gifts and business entertainment items, and personal securities trading procedures. All of our associated person's must acknowledge the terms of the Code of Ethics annually, or as amended.

### **Participation or Interest in Client Accounts**

Our Compliance policies and procedures prohibit anyone associated with Wedge Financial from having an interest in a client account or participating in the profits of a client's account without the approval of the CCO.

The following acts are prohibited:



- Employing any device, scheme or artifice to defraud
- Making any untrue statement of a material fact
- Omitting to state a material fact necessary in order to make a statement, in light of the circumstances under which it is made, not misleading
- Engaging in any fraudulent or deceitful act, practice or course of business
- Engaging in any manipulative practices

Clients and prospective clients may request a copy of the firm's Code of Ethics by contacting the CCO.

## **Personal Trading**

We may recommend securities to you that we will purchase for our own accounts. We may trade securities in our account that we have recommended to you as long as we place our orders after your orders. This policy is meant to prevent us from benefiting as a result of transactions placed on behalf of advisory accounts.

Certain affiliated accounts may trade in the same securities with your accounts on an aggregated basis when consistent with our obligation of best execution. When trades are aggregated, all parties will share the costs in proportion to their investment. We will retain records of the trade Order (specifying each participating account) and its allocation. Completed Orders will be allocated as specified in the initial trade order. Partially filled Orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

Wedge Financial has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of "Access Persons". The policy requires that an Access Person of the firm provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date the Adviser selects; provided, however that at any time that the Adviser has only one Access Person, he or she shall not be required to submit any securities report described above.

We have established the following restrictions in order to ensure our fiduciary responsibilities regarding insider trading are met:

- No securities for our personal portfolio(s) shall be bought or sold where this decision is substantially derived, in whole or in part, from the role of IARs of Wedge Financial, unless the information is also available to the investing public on reasonable inquiry. In no case, shall we put our own interests ahead of yours.

## **Privacy Statement**

We are committed to safeguarding your confidential information and hold all personal information provided to us in the strictest confidence. These records include all personal information that we collect from you or receive from other firms in connection with any of the financial services they provide. We

also require other firms with whom we deal with to restrict the use of your information. Our Privacy Policy is available upon request.

## **Conflicts of Interest**

Wedge Financial's IARs may employ the same strategy for their personal investment accounts as it does for its clients. However, IARs may not place their orders in a way to benefit from the purchase or sale of a security.

We act in a fiduciary capacity. If a conflict of interest arises between us and you, we shall make every effort to resolve the conflict in your favor. Conflicts of interest may also arise in the allocation of investment opportunities among the accounts that we advise. We will seek to allocate investment opportunities according to what we believe is appropriate for each account. We strive to do what is equitable and in the best interests of all the accounts we advise.

## **Item 12 – Brokerage Practices**

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### **Factors Used to Select Custodians**

In selecting a platform custodian/broker-dealer, we look for a company that offers relatively low transaction fees, access to desired securities, trading platforms, and support services. All client accounts are held with [platform custodian], who provides all custodial, trading and technology services for the app.

### **Soft Dollars**

We will receive trading and research services from the platform custodian but do not have any formal soft dollar arrangements.

### **Best Execution**

We have an obligation to seek best execution for you. In seeking best execution, the determinative factor is not the lowest possible commission cost but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, reputation and responsiveness. Therefore, we will seek competitive commission rates, but we may not obtain the lowest possible commission rates for account transactions.

### **Brokerage for Client Referrals**

In selecting a platform custodian, we do not take into consideration whether or not we will receive client referrals from the provider.

### **Directed Brokerage**

Due to the nature of our services, we do not permit directed brokerage. We will require you to use the platform custodian of our choosing as the custodial firm.

## **Trading**

Due to the nature of the services provided, most buy orders will be bunched. This means all accounts purchasing the same securities each month will be purchased simultaneously. This allows us to allocate the trades such that the order for each account is filled at the same average price. Any accounts falling outside of an automatic investment plan will be purchased individually. Additionally, all sales orders will be placed individually at the client's direction.

## **Item 13 – Review of Accounts**

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### **Reviews**

Clients' accounts are evaluated by the Wedge Platform on a daily basis to ensure compliance with our requirements and the parameters set forth during the establishment of the client account.

### **Reports**

Wedge Financial will provide quarterly activity statements. These statements give you additional feedback regarding your account. It is recommended that you compare our statement to the statement provided by the custodian.

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

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We do not receive any economic benefit from someone who is not a client for providing investment advice or other advisory services to our clients nor do we directly or indirectly pay any compensation to another person if they refer clients to us.

## **Item 15 – Custody**

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We do not have physical custody of any accounts or assets. However, we may be deemed to have custody of your account(s) if we have the ability to instruct the platform custodian to deduct your advisory fees directly from your account. Our platform is offered through the platform custodian for all your accounts. You should receive at least quarterly statements from the platform custodian. We urge you to carefully review your custodial statements when provided.

We do not debit the client fees directly from your advisory account. We send information to your custodian to debit your fees and to pay them to us. You authorized the custodian to pay us directly at the onset of the relationship.

## **Item 16 – Investment Discretion**

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Wedge Financial does not actively manage client accounts. Through our app clients will set up a portfolio based on the app's recommendations. All trades will be part of an automatic investment program or at the client's direction. Therefore, we do not have discretion on any client account, other than the automatic debit of fees upon client instruction and permission granted during the account opening process.

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

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As a matter of firm policy and practice, we do not have any authority to and do not vote proxies on behalf of advisory clients. You retain the responsibility for receiving and voting proxies for any and all securities maintained in your portfolios. We may provide advice to you regarding your voting of proxies. The custodian will forward you copies of all proxies and shareholder communications relating to your account assets.

## **Item 18 – Financial Information**

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We are required to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that would impair our ability to meet any contractual and fiduciary commitments to you, our client. We have not been the subject of any bankruptcy proceedings. In no event shall we charge advisory fees that are both in excess of twelve hundred dollars and more than six months in advance of advisory services rendered.