



# Finely Capital Inc.

1595 Sixteenth Ave, Suite 301 Room 360

Richmond Hill, ON, L4B 3N9, Canada

Phone: +1 647-875-5578

Email: [office@finelycapital.com](mailto:office@finelycapital.com)

Web: [www.finelycapital.com](http://www.finelycapital.com)

September 1, 2022

## Form ADV Part 2A Brochure

This Brochure provides information about the qualifications and business practices of Finely Capital Inc. If you have any questions about the contents of this Brochure, please contact us at +1 647-875-5578 or e-mail [office@finelycapital.com](mailto:office@finelycapital.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.

Finely Capital Inc. (Finely) is an applicant for registered investment adviser with United States Securities and Exchange Commission. Application and registration as a registered investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information from which you determine to hire or retain an adviser.

Additional information about Finely Capital Inc. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

This brochure, dated September 1, 2022, is the 2nd version. No material changes.

Pursuant to regulatory requirement, we will deliver to you a summary of any material changes to this and subsequent brochures within 120 days of the close of our fiscal year. We may further provide other ongoing disclosure information about material changes as necessary. All such information will be provided to you free of charge.

Currently, our brochure may be requested by contacting us at +1 647-875-5578 or e-mail [office@finelycapital.com](mailto:office@finelycapital.com).

Additional information about the firm is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or please visit our web site at [www.finelycapital.com](http://www.finelycapital.com).

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

Item 1 – Cover Page.....	1
Item 2 – Material Changes .....	2
Item 3 - Table of Contents.....	3
Item 4 – Advisory Business .....	4
Item 5 – Fees and Compensation .....	4
Item 6 – Performance-Based Fees and Side-By-Side Management .....	5
Item 7 – Types of Clients .....	5
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	5
Item 9 – Disciplinary Information .....	5
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	6
Item 12 – Brokerage Practices.....	6
Item 13 – Review of Accounts .....	8
Item 14 – Client Referrals and Other Compensation.....	8
Item 15 – Custody .....	8
Item 16 – Investment Discretion.....	9
Item 17 – Voting Client Securities.....	9
Item 18 – Financial Information.....	9
Item 19 – Requirements for State-Registered Advisers.....	9
Form ADV Part 2B Brochure Supplement.....	10

## **Item 4 – Advisory Business**

Finely Capital Inc. (CRD# 315270) (Finely, the firm, we) is based in Canada and incorporated under the laws of Canada in June 2018. The former legal name was “10844489 Canada Inc.” and was changed to the current legal name “Finely Capital Inc.” in March 2021.

The firm is 100% owned by Mr. Wen Wu Zhao, the Founder, Director, Chief Executive Officer and Chief Compliance Officer.

The firm is applying for the registration of registered investment adviser with the United States Securities and Exchange Commission (SEC). We will start marketing and solicitation for clients in U.S. once we registered with SEC.

The firm does not limit the types of investments for advisory services. However, we primarily provide advisory services focus on macro-financial assessment and trend analysis in the capital market, especially the analysis and recommendations on exchange traded funds ("ETFs"). In addition, we are looking for the opportunity to launch an ETF on NYSE, Nasdaq or AMEX, serving as the sponsor and adviser.

We do not have any clients for advisory services since establishment and will have no individual clients in the coming fiscal year. We provide advisory services to institutional investors. The services usually are provided through research report or oral consultation (in-person or distance meeting). We also tailor our advisory services to the specific needs of clients – however, we limit the services to ETFs and sector analysis.

Currently, we do not manage client assets. We do not participate in any wrap fee programs.

## **Item 5 – Fees and Compensation**

A. Fees are calculated based on the service types. The typical fee schedule for services is as follows:

- Advisory service: US\$500/hour
- Passive Portfolio Management (Annual): 0.5% of AUM (if applicable)
- Active Portfolio Management (Annual): 2.5% of AUM (if applicable)
- Fees are negotiable based on the actual level of service that clients request.

B. We bill clients for fees monthly.

C. In addition to the fees charged by us, the client may also pay funds' internal management and distribution fees as detailed in each fund's prospectus. Any transaction fees levied by a broker or custodian executing a trade will also be paid by the clients.

- D. For account charged in advanced, clients may terminate with 30 days written notice and unused fees will be refunded. Fees are generally due quarterly in arrears and deducted from the account, although clients may elect to receive direct billing.
- E. The firm and its supervised persons do not accept compensation in connection with the purchase or sale of securities.

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

Currently, we do not charge performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client), and consequently do not simultaneously manage performance based and non-performance based accounts.

## **Item 7 – Types of Clients**

We provide advisory services to institutional investors only.

We do not typically require a minimum dollar value of assets; however, we reserve the right to decline or accept any prospective clients.

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

### **A. Methods of Analysis**

We focus on macro-financial assessment and trend analysis in the capital market, especially the trend for specific industry and sectors.

### **B. Investment Strategies**

According to the clients' requirements, we adopt passive investment strategy or active investment strategy. The passive investment strategy usually involves to the systematic risk. The active investment strategy always exposure to the systematic and non-systematic risks.

### **C. Risk of Loss**

Investing in securities involves risk of loss that clients should be prepared to bear. Such risks include market risk, interest rate risk, currency risk, and political risk, among others. Certain trading strategies can affect investment performance through increased brokerage and other transactions. Each client's propensity for risk however is thoroughly evaluated, documented, and considered throughout the portfolio implementation process.

No investment strategy can assure a profit or avoid a loss.

## **Item 9 – Disciplinary Information**

We shall disclose all material facts regarding any legal or disciplinary events that would be

material to the evaluation of the firm or the integrity of its management. We are currently not subject to, nor has ever been subject to, any legal or disciplinary events of a material nature.

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

We have no other financial industry activities and has no other financial industry affiliations.

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

Finely's paramount ethical, professional, and legal duty is to act at all times as an investment adviser to our Clients. This means that Finely puts the interests of its clients ahead of its own, and carefully manages for any perceived or actual conflict of interest that may arise in relation to its advisory services. Finely has adopted a Code of Ethics, which is designed to ensure that we meet our fiduciary obligation to clients, enhance our culture of compliance within the firm, and detect and prevent any violations of securities laws.

Finely's Code of Ethics (the "Code") establishes standards of conduct for all Finely' employees, including all officers, directors, employees, certain contractors and others, and is consistent with the code of ethics requirements of Rule 204A-1 under the Investment Advisers Act of 1940, as amended. The code includes general requirements that all employees comply with their obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest, and confidentiality of client information.

Each new Finely's employee will receive a copy of the code when hired or engaged by Finely. Finely sends copies of any amendments to the Code to all supervised persons.

Finely's employees may personally invest in securities recommended by Finely, specifically the ETFs recommended for each asset class. Finely' employees may also buy or sell specific securities for their own accounts that are not purchased or sold ahead of clients. Finely monitors the securities transactions of all employees to determine whether there has been any improper use of client trading information by employees. It also requires all employees to report any violations of the code promptly to Finely' Chief Compliance Officer.

The complete Code of Ethics is available to any client or prospective Client upon request.

## **Item 12 – Brokerage Practices**

### **The Custodian and Brokers We Use**

We do not maintain possession of clients' assets, and clients will ultimately decide to use which custodian and broker. Instead, we require all client assets be maintained in an account at a nonaffiliated "qualified custodian," generally a broker-dealer or bank. We currently recommend that our U.S. clients use Charles Schwab (Schwab) and non-U.S. clients use Interactive Brokers (IB),

both are registered broker-dealer, member SIPC, as qualified custodians.

We are not affiliated with the above two brokers but instead are independently owned and operated. Brokers will hold your assets in a brokerage account and will buy and/or sell securities upon your instructions.

### **How We Select Custodians and Brokers**

When recommending a custodian or broker for our clients, we consider many different factors including quality of service, types of services offered, overall capability, execution quality, competitiveness of transaction costs, availability of investment research, reputation, financial resources, and stability, among other things. In determining the reasonableness of a broker's compensation, we consider the overall cost to you relative to the benefits you receive, both directly and indirectly, from the broker.

### **Your Brokerage and Custody Costs**

Our clients receive various services directly from Schwab and IB. Schwab and IB generally does not charge separately for custody services but instead is compensated by charging commissions or other fees on trades that it executes or trades that are executed by other brokers to and from client accounts. Fees applicable to our client accounts were negotiated based on the condition that our clients collectively maintain a certain level of assets at Schwab and IB. We feel that this commitment benefits you because the overall rates you pay may be lower than they might be otherwise.

### **Products and Services Available from Brokers/Custodians**

The custodian provides clients with access to its services like trading, custody, reporting, and related services. Schwab and IB also makes available various support services, some of which may help clients manage or administer their accounts.

Schwab and IB's brokerage services which benefit you directly include access to a broad range of investment products, execution of securities transactions, and asset custody. The investment products available through Schwab and IB include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by clients.

Schwab and IB also make available to us other products and services that benefit us but may not directly benefit you or your account. They include investment research, both brokerage's own and that of third parties. We may use this research to service all or a substantial number of our clients.

Both Schwab and IB provide good services for news and investor education.

### **Benefits and Soft Dollars**

Although we receive some benefits as mentioned above, we do not engage in or participate in

formal soft dollar arrangements where the firm is required to direct a specific volume of client brokerage trades to broker/dealers in exchange for specific soft dollar credits.

## **Item 13 – Review of Accounts**

### **Reviews of Accounts**

Client accounts are supervised by one qualified staff of the firm, according to the agreement between Finely and clients. In addition to ongoing supervision, accounts are generally reviewed more formally on a quarterly basis. The quarterly review generally includes assessing client goals and objectives, evaluating the employed strategy, monitoring the portfolio, and addressing the need to rebalance.

The staff will periodically, and at least annually, review client's investment policy and risk profile, and discuss the re-balancing of each client's accounts to the extent appropriate.

Additional account reviews may be triggered by a specific client request, by a change in client goals or objectives, by an imbalance in a portfolio asset allocation, or by market or economic conditions.

All ongoing clients are advised that it remains their responsibility to advise of any changes in their investment objectives and/or financial situation.

### **Regular Reports Provided to Clients**

Clients are provided with account statements from their custodian on at least a quarterly basis which list account holdings and transactions for the period. Clients may also be provided by us with written performance reports (usually on a quarterly basis) that detail current market value, performance relative to market benchmarks, and overall portfolio allocation.

We urge our clients to carefully review custodial statements when received and to compare them to reports received from us.

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

Currently, we do not pay outside individuals or other professional entities to refer clients to us. And we do not have referral or/and solicitor agreement with other parties.

We do not receive compensation and economic benefits from other parties, such as custodians and brokers.

## **Item 15 – Custody**

As mentioned in Item 12 above, we do not hold client assets but instead require that they be held by a third party “qualified custodian.”

Clients will receive account statements directly from your custodian at least quarterly, which will



be sent to the email or postal mailing address you provide. We argue you to carefully review these custodial statements when you receive them and discuss with us if you have questions.

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

We will not accept discretionary authority to manage securities accounts on behalf of clients.

However, we keep open to discuss the discretionary authority as per client' requests. We will not exercise any discretionary authority until it has been given authority to do so in writing. Such authority is granted in the written agreement between us and the client, and in the written agreement with the third-party custodian.

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

We do not vote proxies for clients but will, upon request, discuss with the client any questions regarding proxy matters to assist the client in making an informed decision in voting proxies themselves.

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

Registered investment advisers are required in some cases to provide certain financial information and or disclosures about their financial condition.

We have no financial or operating conditions which trigger such additional reporting requirements.

#### **Item 19 – Requirements for State-Registered Advisers**

This item is not applicable for us, as Finely Capital Inc. is applying for registration with SEC, not a State-registered Adviser.

## **Form ADV Part 2B Brochure Supplement**

**Wen Wu Zhao**

**Finely Capital Inc.**

1595 Sixteenth Ave, Suite 301 Room 360

Richmond Hill, ON, L4B 3N9, Canada

Phone: +1 647-875-5578

Email: [office@finelycapital.com](mailto:office@finelycapital.com)

Web: [www.finelycapital.com](http://www.finelycapital.com)

September 1, 2022

This brochure supplement provides information about Mr. Wen Wu Zhao that supplements the Finely Capital Inc. brochure. You should have received a copy of that brochure. Please contact Finely Capital Inc. if you did not receive Finely Capital Inc's brochure or if you have any questions about the contents of this supplement.

Additional information about Mr. Zhao is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2- Educational Background and Business Experience**

Mr. Wen Wu Zhao, born in 1977, founded Finely Capital Inc. in 2018 and currently serves as the director, CEO and CCO of the firm.

Mr. Zhao received a Master of Science in Environmental Management and Policies from Lund University, Sweden in 2003. He received a Master of Research in Business Administration from the University of Liverpool, UK in 2015.

Mr. Zhao had been a lecturer at Qingdao University of Technology, China from 2004 to 2009, teaching management courses at undergraduate level.

As an entrepreneur, Mr. Zhao started his own business in 2006. He has been engaged a few business activities, such as dealing with private capital, scholarly publishing, and home construction.

## **Item 3- Disciplinary Information**

As noted in Item 9 on Part 2B of the investment adviser brochure, Mr. Zhao is currently not subject to, nor has ever been subject to, any legal or disciplinary events of a material nature.

## **Item 4- Other Business Activities**

Mr. Zhao has been a registered dealing representative for exempt market in Ontario Canada since 2019, sponsored by Foundation Markets Inc. (a registered exempt market dealer). He is not active for this business. The exempt market is also known as the private capital market in Canada.

As an entrepreneur, Mr. Zhao is engaged other business activities. The first is publishing business. Mr. Zhao involves in management of scholarly publishing business that owned by his family. The second is construction business, as he owns a home construction firm. These business activities are not related to advisory services.

## **Item 5- Additional Compensation**

Mr. Zhao does not receive any additional economic benefits, sales awards, or other compensation in connection with providing advisory services to clients.

## **Item 6 - Supervision**

Mr. Zhao is the Director, CEO and CCO of the firm, and consequently does not report to a supervisor.

## **Item 7- Requirements for State-Registered Advisers**

This item is not applicable for us, as Finely Capital Inc. is applying for registration with SEC, not a State-registered Adviser.