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## FORM ADV PART 2A BROCHURE

This brochure provides information about the qualifications and business practices of Personal Adviser Inc. (Hereinafter Wealthup). If you have any questions about the contents of this brochure, contact us at 415-861-9461. 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 Wealthup is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Wealthup is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.



## Item 2 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes. This brochure includes the following material change since our most recent annual update on March 17, 2020:

- Item 5 was amended to clarify that a discounted fee is offered to active military and military veterans.
- Item 5 was amended to clarify that a family rate is given for up to 4 family accounts.
- We have changed our primary business name to Wealthup.

You may request a complete copy of our Form ADV Part 2A brochure by contacting us at the number listed on the brochure cover.

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## Item 4 Advisory Business

### Description of Firm

Wealthup a registered investment adviser based in San Francisco, CA. We are organized as a corporation under the laws of the State of Delaware, and we are wholly owned by Samundra Timilsina. Mr. Timilsina is the Chief Executive Officer of the firm. He is also the Chief Investment Officer of Csuite Investment LLC, an affiliated registered investment adviser. Wealthup has been providing investment advisory services since August 2019.

The following paragraphs describe our services and fees. Refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we," "our," and "us" refer to Wealthup and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm.

### Portfolio Management Services

We offer discretionary portfolio management services through an automated investment advisory program. We use a proprietary algorithm to manage client accounts that generates recommended portfolios. Your account is invested and rebalanced by the algorithm according to your needs, investment objectives and tolerance for risk.

We require that our clients complete a comprehensive questionnaire that provides our firm with all necessary and appropriate data for use in the algorithm to generate the recommended portfolio. We may ask follow-up or clarifying questions about client responses, address inconsistencies in client responses, or provide a client help when filling out the questionnaire to elicit sufficient information to determine the appropriate portfolio characteristics. Clients may or may not have access to advisory personnel to explain or highlight important concepts related to the management of their portfolios. The algorithm might rebalance client accounts without regard to market conditions or on a more frequent basis than the client might expect, and the algorithm may not address prolonged changes in market conditions. The adviser might halt trading by the algorithm or take other temporary defensive measures in stressed market conditions. Please refer to Item 8 Methods of Analysis, Investment Strategies and Risk of Loss for additional information regarding the use of algorithms in managing client portfolios.

Our discretionary portfolio management services require you to grant us discretionary authority to manage your account. Subject to a grant of discretionary authorization, we have the authority and responsibility to formulate investment strategies on your behalf. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without obtaining your approval prior to each transaction. We will also have discretion over the broker or dealer to be used for securities transactions in your account. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm.

Investors evaluating our software-based investment advisory service should be aware that our relationship with clients is likely to be different from the "traditional" investment advisory relationship in several aspects:

- Wealthup is a software-based investment adviser, which means each client must acknowledge his/her ability and willingness to conduct a relationship with our firm on an electronic basis. Under the terms of the Advisory Client Agreement and the Brokerage Agreement, you agree to receive all account information and account documents (including this Brochure and subsequent disclosure Brochures), and any updates or changes to same, through your access to our secure website and our electronic communications. Unless noted otherwise on our website or within this Brochure, our investment advisory services, the signature for the Advisory Client Agreement and the Brokerage Agreement, and all documentation related to the advisory services are managed electronically. We do make individual representatives available to discuss servicing matters with you.
- To provide our investment advisory services and tailor our investment decisions to your specific needs, we collect information from you, including specific information about your investing profile such as financial situation, investment experience, and investment objectives. We maintain this information in strict confidence subject to our Privacy Policy, which is provided to you electronically on our website. When customizing our investment solutions, we rely upon the information we receive from you. You must promptly notify us of any change in your financial situation or investment objectives that might require a review or revision of your portfolio.
- The software-based investment advisory service includes preselected stocks and ETFs for each asset class within the investments recommended to clients. We do not allow clients to select their own stocks or ETFs because each stock, ETF and asset class is considered to be part of the overall investment plan. Clients may not place orders to purchase or sell securities on a self-directed basis within the managed account.

As part of our portfolio management services, in addition to other types of investments (see disclosures below in this section), we invest your assets according to one or more model portfolios developed by our firm. These models are designed for investors with varying degrees of risk tolerance ranging from a more aggressive investment strategy to a more conservative investment approach. Clients whose assets are invested in model portfolios may not set restrictions on the specific holdings or allocations within the model, nor the types of securities that can be purchased in the model.

In providing portfolio management services, we do not accept client restrictions on the specific securities or the types of securities that may be held in your account.

## Types of Investments

We primarily offer advice on stocks and exchange traded funds, although we may also advise you on various types of investments based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship. Refer to the Methods of Analysis, Investment Strategies and Risk of Loss below for additional disclosures on this topic.

Since our investment strategies and advice are based on each client's specific financial situation and are based on the information provided by the client in our on-line questionnaire, the investment advice we provide to you may be different or conflicting with the advice we give to other clients regarding the same security or investment.

## Assets Under Management

As of December 31, 2019, we do not have any discretionary or non-discretionary assets under management.

## Item 5 Fees and Compensation

### Portfolio Management Services

Our fee for portfolio management services is based on a flat subscription fee, paid monthly by you. The monthly subscription fee is \$20 per month, per account. We offer a discounted fee (\$10 per month, per account) to students (ages 18-25) and active military and/or military veterans. In addition, a family may open up to four separate family accounts (per household address), and the flat family rate is \$50 per month. These fees are not negotiable. Fees are payable monthly, in advance, and fees will be deducted directly from the account held at the qualified custodian. For a family platform, you will indicate which account is subject to the \$50 monthly fee. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy.

You may terminate the portfolio management agreement upon written notice to our firm 30 days in advance. You will incur a flat service fee for services rendered prior to termination. If you have prepaid advisory fees that we have not yet earned, you will receive a pro-rata refund of those fees with respect to the period greater than 30 days after the cancellation notice. Agreements terminated within the first five business days after execution will receive a full refund of any fees paid. At our discretion, we may offer also offer a full refund of fees during a free-trial period that exceeds the first five business days after an Agreement was executed.

### Additional Fees and Expenses

As part of our investment advisory services to you, we may invest or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, refer to the Brokerage Practices section of this brochure.

We may trade client accounts on margin. Each client must sign a separate margin agreement before margin is extended to that client account. The use of margin may also result in interest charges in addition to all other fees and expenses associated with the security involved.

### Compensation for the Sale of Securities or Other Investment Products

Persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you, if applicable. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

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

We do not charge or accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of a capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described in the Fees and Compensation section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## Item 7 Types of Clients

We offer investment advisory services to individuals (other than high net worth individuals), high net worth individuals, banking or thrift institutions, pension and profit-sharing plans (but not the plan participants) and other investment advisers.

In general, we do not require a minimum dollar amount to open and maintain an advisory account; however, we have the right to terminate your Agreement if your account falls below a minimum size which, in our sole opinion, is too small to manage effectively.

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

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

### A. Modern Portfolio Theory ("MPT")

For our software-based investment advisory and portfolio management service, we provide clients with investment advice that is based on MPT. MPT attempts to maximize a portfolio's expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by selecting the proportions of various asset classes rather than selecting individual securities. Our goal is to enable every investor who can pay a monthly subscription fee and has enough capital to stay invested, access to the benefits of MPT. To employ MPT, we start with a determination of an individual's objective and subjective tolerance for risk. Based on this risk analysis, we seek to create an individualized investment plan using optimal asset classes in which to invest, efficient stocks and ETFs to represent each of those asset classes, and a mix of asset classes based on the client's specific risk tolerance. We rigorously evaluate possible combinations of the following eleven asset classes: US equities, foreign developed markets equities, emerging markets equities, dividend growth equities, real estate, natural resources, treasury inflation protected securities (TIPS), municipal bonds, corporate bonds, emerging markets bonds, risk parity, derivatives, US government bonds and alternative investments. We use the expected return and volatility for each asset class among asset classes to find the combination that attempts to deliver the highest possible optimal return for any given standard deviation of a portfolio's returns. We must, however, limit the number of assets classes for very small portfolios. Further, the risk parity asset class is only available to taxable client accounts.

We periodically review the population of publicly traded stocks ETFs to identify appropriate stocks and ETFs to represent each asset class. We look for ETFs that minimize cost and tracking error and offer market liquidity. Many investors do not realize that ETFs do not exactly track the indexes they were created to mimic. Choosing an ETF with a low expense ratio that does not track the asset class recommended by our service runs the risk of sub-optimizing a portfolio's performance. We choose ETFs that are expected to have sufficient liquidity to allow withdrawals at any time.

Through our software, we continuously monitor our clients' portfolios and may periodically rebalance them back to the target mix in an effort to optimize returns for the intended level of risk. We may consider tax implications and the volatility associated with each of the chosen asset classes when deciding when and how to rebalance; however, no assurance can be made by us that clients will not incur capital gains, and in certain instances significant capital gains, when portfolios are rebalanced periodically. We assume no responsibility for any tax consequences of any transaction, including any capital gains that may result from the rebalancing of accounts, and clients should consult with appropriate tax advisers before investing.

### B. Tax-Loss Harvesting ("TLH")

TLH is a technique designed to help lower taxes while maintaining the expected risk and return profile of a portfolio. This technique harvests previously unrecognized investment losses to offset taxes due on other gains and income by selling a security at a loss to accelerate the realization of capital loss and invest the proceeds in a security with closely-correlated risk and return characteristics. The realized loss can be applied to lower tax liability and the tax savings can be reinvested to grow the value of a portfolio. Our basic TLH strategy, which is solely applied to stocks and ETFs, is available for all clients. Advanced versions of TLH are available for clients with larger account sizes and are generally applied to individual stocks that comprise the domestic equity allocation in taxable account portfolios.

### C. Long-Term, Buy And Hold Investment Philosophy

We adhere to a long-term, "buy-and-hold" investment philosophy. While we reserve the right to act otherwise if we feel it is in the

best interests of clients, we do not try to time the market and in general, we intentionally do not react to market movements in managing client accounts other than through rebalancing and tax-loss harvesting.

## D. Risk Considerations

We cannot guarantee any level of performance or that any client will avoid a loss of account assets. Any investment in securities involves the possibility of financial loss that clients should be prepared to bear. When evaluating risk, financial loss may be viewed differently by each client and may depend on many different risk items, each of which may affect the probability of adverse consequences and the magnitude of any potential losses. The following risks may not be all-inclusive but should be considered carefully by a prospective client before retaining our advisory services. These risks should be considered as possibilities, with additional regard to their actual probability of occurring and the effect on a client if there is in fact an occurrence.

### **Market Risk**

The price of any security or the value of an entire asset class can decline for a variety of reasons outside of our control, including, but not limited to, changes in the macroeconomic environment, unpredictable market sentiment, forecasted or unforeseen economic developments, interest rates, regulatory changes, and domestic or foreign political, demographic, or social events. If a client has a high allocation in a particular asset class, it may negatively affect overall performance to the extent that the asset class underperforms relative to other market assets. Conversely, a low allocation to a particular asset class that outperforms other asset classes in a particular period will cause that account to underperform relative to the overall market.

### **Advisory Risk**

There is no guarantee that our judgment or investment decisions about particular securities or asset classes will necessarily produce the intended results. It is possible that clients or Wealthup itself may experience computer equipment failure, loss of internet access, viruses, or other events that may impair access to our software-based investment advisory service. We are not responsible to any client for losses except to the extent provided in our management agreements with clients.

### **Software Risk**

We deliver our investment advisory services entirely through software. Consequently, we rigorously design, develop and test our software extensively before putting such software into production with actual client accounts and assets, and we periodically monitor the behavior of such software after its deployment. Notwithstanding this rigorous design, development, testing and monitoring, it is possible that such software may not always perform exactly as intended or as disclosed on our website, mobile app, blogs or other disclosure documents, especially in certain combinations of unusual circumstances. For example, there may be occasions where a number of client accounts may not experience TLH (even if TLH had been activated for such accounts) or rebalancing back to the client's target asset allocation for extended periods of time, due to certain errors in the deployment of the software. We continuously strive to monitor, detect and correct any software that does not perform as expected or as disclosed, but we can make no guarantee as to the performance of the software.

### **Volatility and Correlation Risk**

Our asset selection process is based in part on a careful evaluation of past price performance and volatility to evaluate future probabilities. It is possible that different or unrelated asset classes may exhibit similar price changes in similar directions which may adversely affect a client's account and may become more acute in times of market upheaval or high volatility. Past performance is no guarantee of future results, and any historical returns, expected returns, or probability projections may not reflect actual future performance.

### **Liquidity and Valuation Risk**

High volatility and/or the lack of deep and active liquid markets for a security may prevent a client from selling his or her securities at all, or at an advantageous time or price because the executing broker-dealer may have difficulty finding a buyer and may be forced to sell at a significant discount to market value. Some securities (including ETFs) that hold or trade financial instruments may be adversely affected by liquidity issues as they manage their portfolios. While we value the securities held in client accounts based on reasonably available exchange traded security data, we may, from time to time, receive or use inaccurate data, which could adversely affect security valuations and transaction size for purchases or sales.

### **Credit Risk**

We cannot control, and clients are exposed to, the risk that financial intermediaries or security issuers may experience adverse economic consequences that may include impaired credit ratings, default, bankruptcy or insolvency, any of which may affect portfolio values or management. This risk applies to assets on deposit with any broker-dealer, notwithstanding asset segregation and insurance requirements that are beneficial to broker-dealer clients generally. In addition, exchange trading venues or trade settlement and clearing intermediaries could experience adverse events that may temporarily or permanently limit trading or adversely affect the value of client securities. Finally, any issuer of securities may experience a credit event that could impair or erase the value of the issuer's securities held by a client. We seek to limit credit risk by generally adhering to the purchase of stocks and ETFs, which are subject to regulatory limits on asset segregation and leverage such that fund shareholders are given liquidation priority versus the fund issuer; however, certain funds and products, which Wealthup generally does not invest in, may involve higher issuer credit risk because they are not structured as a registered fund.

## Legislative and Tax Risk

Performance may directly or indirectly be affected by government legislation or regulation, which may include, but is not limited to: changes in investment adviser / financial advisor or securities trading regulation; change in the U.S. government's guarantee of ultimate payment of principal and interest on certain government securities; and changes in the tax code that could affect interest income, income characterization and/or tax reporting obligations (particularly for ETF securities dealing in natural resources). We do not engage in tax planning, and in certain circumstances a client may incur taxable income on his or her investments without a cash distribution to pay the tax due.

**Tax Loss Harvesting Risk - Clients who activate our tax-loss harvesting service are alerted to the following risks:**

- Clients should confer with their personal tax adviser regarding the tax consequences of investing and engaging in the tax-loss harvesting strategy, based on their particular circumstances. Clients and their personal tax advisers are responsible for how the transactions in the client's account are reported to the Internal Revenue Service ("IRS") or any other taxing authority. We assume no responsibility to you for the tax consequences of any transaction, including any capital gains and/or wash sales that may result from the tax-loss harvesting strategy.
- Our tax-loss harvesting strategy is not intended as tax advice and we do not represent in any manner that the tax consequences described will be obtained or that our investment strategy will result in any particular tax consequence. The tax consequences of this strategy and our other strategies are complex and may be subject to challenge by the IRS. This strategy was not developed to be used by, and it cannot be used by, any investor to avoid penalties or interest.
- When we replace investments with "similar" investments as part of the tax-loss harvesting strategy, it is a reference to investments that are expected, but are not guaranteed, to perform similarly and that might lower a client's tax bill while maintaining a similar expected risk and return on the client's portfolio. Expected returns and risk characteristics are no guarantee of actual performance.
- A client must notify us of specific stocks in which the client is prohibited from investing. If a client instructs us not to purchase certain stocks, we will select an alternate stock to purchase on the client's behalf or if we deem no other stock is appropriate, not invest in an alternate stock. The client shall notify us immediately if he or she considers any investments recommended or made for the account to violate such restrictions.
- The performance of the new securities purchased through the tax-loss harvesting service may be better or worse than the performance of the securities that are sold for tax-loss harvesting purposes.
- The effectiveness of the tax-loss harvesting strategy to reduce the tax liability of the client will depend on the client's entire tax and investment profile, including purchases and dispositions in a client's (or client's spouse's) accounts outside of our firm, and type of investments (e.g., taxable or nontaxable) or holding period (e.g., short-term or long-term). The utilization of losses harvested through the strategy will depend upon the recognition of capital gains in the same or a future tax period, and in addition may be subject to limitations under applicable tax laws, e.g., if there are insufficient realized gains in the tax period, the use of harvested losses may be limited to a \$3,000 deduction against income and distributions. Losses harvested through the strategy that are not utilized in the tax period when recognized (e.g., because of insufficient capital gains and/or significant capital loss carryforwards), generally may be carried forward to offset future capital gains, if any.
- Be aware that if the client and/or the client's spouse have other taxable or non-taxable investment accounts, and the client holds in those accounts any of the securities (including options contracts) held in the client's account managed by our firm, the client cannot trade any of those securities 30 days before or after we trade those same securities as part of the tax-loss harvesting strategy to avoid possible wash sales and, as a result, a nullification of any tax benefits of the strategy. For more information on the wash sale rule, please read IRS Publication 550 or consult with a tax adviser.
- We only monitor for tax-loss harvesting for accounts managed by our firm. The client is responsible for monitoring their and their spouse's accounts outside of our firm to ensure that transactions in the same security or a substantially similar security do not create a "wash sale." A wash sale is the sale at a loss and purchase of the same security or substantially similar security within 30 days of each other. If a wash sale transaction occurs, the IRS may disallow or defer the loss for current tax reporting purposes. More specifically, the wash sale period for any sale at a loss consists of 61 calendar days: the day of the sale, the 30 days before the sale, and the 30 days after the sale. The wash sale rule postpones losses on a sale, if replacement shares are bought around the same time. We may lack visibility to certain wash sales, should they occur as a result of external or unlinked accounts, and therefore we may not be able to provide notice of such wash sale in advance of the client's receipt of the IRS Form 1099.
- Except as set forth below, we will only monitor accounts managed by our firm to determine if there are unrealized losses for purposes of determining whether to harvest such losses. Transactions outside of these accounts may affect whether a loss is successfully harvested and, if so, whether that loss is usable by the client in the most efficient manner.
- Under certain limited circumstances, there is a chance that trading attributed to tax-loss harvesting may create capital gains and/or wash sales. In addition, tax-loss harvesting strategies may produce losses, which may not be offset by sufficient gains in the account.
- In order to avoid wash sales due to one or more transactions in a client's taxable or IRA accounts, from time-to-time, a client's IRA account might invest in a so-called "secondary" ETF rather than a so-called "primary" ETF.

## Potentially High Levels of Trading Risk

Our investment strategies, including portfolio rebalancing and tax-loss harvesting, can lead to high levels of trading. High levels of trading could result in (a) bid-ask spread expense; (b) trade executions that may occur at prices beyond the bid-ask spread (if quantity demanded exceeds quantity available at the bid or ask); (c) trading that may adversely move prices, such that subsequent transactions occur at worse prices; (d) trading that may disqualify some dividends from qualified dividend treatment; (e) unfulfilled orders or portfolio drift, in the event that markets are disorderly or trading halts altogether; and (f) unforeseen trading errors.

### **Foreign Investing and Emerging Markets Risk**

Foreign investing involves risks not typically associated with U.S. investments, and the risks may be exacerbated further in emerging market countries. These risks may include, among others, adverse fluctuations in foreign currency values, as well as adverse political, social and economic developments affecting one or more foreign countries. In addition, foreign investing may involve less publicly available information and more volatile or less liquid securities markets, particularly in markets that trade a small number of securities, have unstable governments, or involve limited industry. Investments in foreign countries could be affected by factors not present in the U.S., such as restrictions on receiving the investment proceeds from a foreign country, foreign tax laws or tax withholding requirements, unique trade clearance or settlement procedures, and potential difficulties in enforcing contractual obligations or other legal rules that jeopardize shareholder protection. Foreign accounting may be less transparent than U.S. accounting practices and foreign regulation may be inadequate or irregular.

### **Stocks Risks, including Net Asset Valuations**

Individual stocks performance may not exactly match the performance of the index or market benchmark that the stocks designed to track because 1) stocks performance is dependent on its management actions 2) companies abilities to generate profits 3) ability to compete with other companies to maintain its market share 4) unforeseen risk associated with the company 5) concentration of position could occur in prolonged growth period which will cause higher portfolio risk from those stock positions. We may reduce the exposure to the concentration stock position, when an individual stock position becomes size of over 5% of entire portfolio. Clients should confer with their personal tax advisor regarding the tax consequences of investing and engaging in the tax-loss harvesting strategy, based on their particular circumstances.

### **ETF Risks, including Net Asset Valuations and Tracking Error**

ETF performance may not exactly match the performance of the index or market benchmark that the ETF is designed to track because: 1) the ETF will incur expenses and transaction costs not incurred by any applicable index or market benchmark; 2) certain securities comprising the index or market benchmark tracked by the ETF may, from time to time, temporarily be unavailable; and 3) supply and demand in the market for either the ETF and/or for the securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF. Certain ETF strategies may from time to time include the purchase of fixed income, commodities, foreign currencies, REITS, inverse ETFs, foreign securities, American Depositary Receipts, or other securities for which expenses and commission rates could be higher than normally charged for exchange traded equity securities, and for which market quotations or valuation may be limited or inaccurate. Some inverse ETFs will be used part of the portfolio which has negative correlation to the market and lose value during positive market periods.

### **Clients should be aware that to the extent they invest in ETF securities they will pay two levels of advisory compensation**

monthly subscription fees to our firm, plus any management fees charged by the issuer of the ETF. This scenario may cause a higher advisory cost (and potentially lower investment returns) than if a client purchased the ETF directly. An ETF typically includes embedded expenses that may reduce the fund's net asset value, and therefore directly affect the fund's performance and indirectly affect a client's portfolio performance or an index benchmark comparison. Expenses of the fund may include ETF management fees, custodian fees, brokerage commissions, and legal and accounting fees. ETF expenses may change from time to time at the sole discretion of the ETF issuer. We disclose each ETF's current information, including expenses, on our website. ETF tracking error and expenses may vary.

### **Inflation, Currency, and Interest Rate Risks**

Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of an investor's future interest payments and principal. Inflation also generally leads to higher interest rates, which in turn may cause the value of many types of fixed income investments to decline. In addition, the relative value of the U.S. dollar-denominated assets primarily managed by us may be affected by the risk that currency devaluations affect client purchasing power.

### **Long-Term Purchase Risk**

Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

### **Short-Term Purchases Risk**

Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

### **Short Sales Risk**

Unlike a straightforward investment in stocks where you buy shares with the expectation that their price will increase so you can sell at a profit, in a "short sale" you borrow stocks from your brokerage firm and sell them immediately, hoping to buy them later at a lower price. Thus, a short seller hopes that the price of a stock will go down in the near future. A short seller thus uses declines in the market to his advantage. The short seller makes money when the stock prices fall and loses when prices go up. The SEC has strict

regulations in place regarding short selling. Short selling is very risky. Investors should exercise extreme caution before short selling is implemented. A short seller will profit if the stock goes down in price, but if the price of the shares increase, the potential losses are unlimited because the stock can keep rising forever. There is no ceiling on how much a short seller can lose in a trade. The share price may keep going up and the short seller will have to pay whatever the prevailing stock price is to buy back the shares. However, gains have a ceiling level because the stock price cannot fall below zero. A short seller has to undertake to pay the earnings on the borrowed securities as long as the short seller chooses to keep the short position open. If the company declares huge dividends or issues bonus shares, the short seller will have to pay that amount to the lender. Any such occurrence can skew the entire short investment and make it unprofitable. The broker can use the funds in the short seller's margin account to buy back the loaned shares or issue a "call away" to get the short seller to return the borrowed securities. If the broker makes this call when the stock price is much higher than the price at the time of the short sale, then the investor can end up taking huge losses. Margin interest can be a significant expense. Since short sales can only be undertaken in margin accounts, the interest payable on short trades can be substantial, especially if short positions are kept open over an extended period. Shares that are difficult to borrow – because of high short interest, limited float, or any other reason – have "hard-to-borrow" fees. These fees are based on an annualized rate that can range from a small fraction of a percent to more than 100% of the value of the short trade. The hard-to-borrow rate can fluctuate substantially on a daily basis; therefore, the exact dollar amount of the fee may not be known in advance, and may be substantial.

### **Option Writing Risk**

An option is a contract that gives the buyer the right, but not the obligation, to buy or sell a particular security at a specified price on or before the expiration date of the option. When an investor sells a call option, he or she must deliver to the buyer a specified number of shares if the buyer exercises the option. When an investor sells a put option, he or she must pay the strike price per share if the buyer exercises the option, and will receive the specified number of shares. The option writer/seller receives a premium (the market price of the option at a particular time) in exchange for writing the option. Options are complex investments and can be very risky, especially if the investor does not own the underlying stock. In certain situations, an investor's risk can be unlimited. Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial information, liquidity needs and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio. It is important that you notify us immediately with respect to any material changes to your financial circumstances, including for example, a change in your current or expected income level, tax circumstances, or employment status.

### **Recommendation of Particular Types of Securities**

We primarily recommend stocks and ETFs. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with the investment.

### **Stocks**

There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In general, larger, better established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") are but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

### **Exchange Traded Funds**

Exchange traded funds ("ETFs") are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on ETFs can be reduced by the costs to manage the funds. ETFs may have tracking error risks. For example, the ETF investment adviser may not be able to cause the ETF's performance to match that of its underlying index or other benchmark, which may negatively affect the ETF's performance. In addition, for leveraged and inverse ETFs that seek to track the performance of their underlying indices or benchmarks on a daily basis, mathematical compounding may prevent the ETF from correlating with performance of its benchmark. In addition, an ETF may not have investment exposure to all of the securities included in its underlying index, or its weighting of investment exposure to such securities may vary from that of the underlying index. Some ETFs may invest in securities or financial instruments that are not included in the underlying index, but which are expected to yield similar performance.

### **Leveraged Exchange Traded Funds**

Leveraged Exchange Traded Funds ("Leveraged ETFs" or "L-ETF") seek investment results for a single day only, not for longer periods. A "single day" is measured from the time the L-ETF calculates its net asset value ("NAV") to the time of the L-ETF's next NAV calculation. The return of the L-ETF for periods longer than a single day will be the result of each day's returns compounded over the period, which will very likely differ from multiplying the return by the stated leverage for that period. For periods longer than a single day, the L-ETF will lose money when the level of the Index is flat, and it is possible that the L-ETF will lose money even if the level of the Index rises. Longer holding

periods, higher index volatility and greater leverage both exacerbate the impact of compounding on an investor's returns. During periods of higher Index volatility, the volatility of the Index may affect the L-ETF's return as much as or more than the return of the Index. Leveraged ETFs are different from most exchange-traded funds in that they seek leveraged returns relative to the applicable index and only on a daily basis. The L-ETF also is riskier than similarly benchmarked exchange-traded funds that do not use leverage. Accordingly, the L-ETF may not be suitable for all investors and should be used only by knowledgeable investors who understand the potential consequences of seeking daily leveraged investment results.

### **Leveraged ETF Leveraged Risk**

The L-ETF obtains investment exposure in excess of its assets in seeking to achieve its investment objective — a form of leverage — and will lose more money in market environments adverse to its daily objective than a similar fund that does not employ such leverage. The use of such leverage could result in the total loss of an investor's investment. For example: a 2X fund will have a multiplier of two times (2x) the Index. A single day movement in the Index approaching 50% at any point in the day could result in the total loss of a shareholder's investment if that movement is contrary to the investment objective of the L-ETF, even if the Index subsequently moves in an opposite direction, eliminating all or a portion of the earlier movement. This would be the case with any such single day movements in the Index, even if the Index maintains a level greater than zero at all times.

### **Leveraged ETF Compounding Risk**

Compounding affects all investments, but has a more significant impact on a leveraged fund. Particularly during periods of higher Index volatility, compounding will cause results for periods longer than a single day to vary from the stated multiplier of the return of the Index. This effect becomes more pronounced as volatility increases.

### **Leveraged ETF Use of Derivatives**

The L-ETF obtains investment exposure through derivatives. Investing in derivatives may be considered aggressive and may expose the L-ETF to greater risks than investing directly in the reference asset(s) underlying those derivatives. These risks include counterparty risk, liquidity risk and increased correlation risk (each as discussed below). When the L-ETF uses derivatives, there may be imperfect correlation between the value of the reference asset(s) and the derivative, which may prevent the L-ETF from achieving its investment objective. Because derivatives often require only a limited initial investment, the use of derivatives also may expose the L-ETF to losses in excess of those amounts initially invested. The L-ETF may use a combination of swaps on the Index and swaps on an ETF that is designed to track the performance of the Index. The performance of an ETF may not track the performance of the Index due to embedded costs and other factors. Thus, to the extent the L-ETF invests in swaps that use an ETF as the reference asset, the L-ETF may be subject to greater correlation risk and may not achieve as high a degree of correlation with the Index as it would if the L-ETF only used swaps on the Index. Moreover, with respect to the use of swap agreements, if the Index has a dramatic intraday move that causes a material decline in the L-ETF's net assets, the terms of a swap agreement between the L-ETF and its counterparty may permit the counterparty to immediately close out the transaction with the L-ETF. In that event, the L-ETF may be unable to enter into another swap agreement or invest in other derivatives to achieve the desired exposure consistent with the L-ETF's investment objective. This, in turn, may prevent the L-ETF from achieving its investment objective, even if the Index reverses all or a portion of its intraday move by the end of the day. Any costs associated with using derivatives will also have the effect of lowering the L-ETF's return.

### **Options Contracts**

Options are complex securities that involve risks and are not suitable for everyone. Option trading can be speculative in nature and carry substantial risk of loss. It is generally recommended that you only invest in options with risk capital. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an underlying asset at a specific price on or before a certain date (the "expiration date"). The two types of options are calls and puts: A call gives the holder the right to buy an asset at a certain price within a specific period of time. Calls are similar to having a long position on a stock. Buyers of calls hope that the stock will increase substantially before the option expires. A put gives the holder the right to sell an asset at a certain price within a specific period of time. Puts are very similar to having a short position on a stock. Buyers of puts hope that the price of the stock will fall before the option expires. Selling options is more complicated and can be even riskier.

#### **The option trading risks pertaining to options buyers are:**

- Risk of losing your entire investment in a relatively short period of time.
- The risk of losing your entire investment increases if, as expiration nears, the stock is below the strike price of the call (for a call option) or if the stock is higher than the strike price of the put (for a put option).
- European style options which do not have secondary markets on which to sell the options prior to expiration can only realize its value upon expiration.
- Specific exercise provisions of a specific option contract may create risks.
- Regulatory agencies may impose exercise restrictions, which stops you from realizing value.

#### **The option trading risks pertaining to options sellers are:**

- Options sold may be exercised at any time before expiration.
- Covered Call traders forgo the right to profit when the underlying stock rises above the strike price of the call options sold and continues to risk a loss due to a decline in the underlying stock.
- Writers of Naked Calls risk unlimited losses if the underlying stock rises.

- Writers of Naked Puts risk unlimited losses if the underlying stock drops.
- Writers of naked positions run margin risks if the position goes into significant losses. Such risks may include liquidation by the broker.
- Writers of call options could lose more money than a short seller of that stock could on the same rise on that underlying stock. This is an example of how the leverage in options can work against the option trader.
- Writers of Naked Calls are obligated to deliver shares of the underlying stock if those call options are exercised.
- Call options can be exercised outside of market hours such that effective remedy actions cannot be performed by the writer of those options.
- Writers of stock options are obligated under the options that they sold even if a trading market is not available or that they are unable to perform a closing transaction.
- The value of the underlying stock may surge or ditch unexpectedly, leading to automatic exercises.

#### **Other option trading risks are:**

- The complexity of some option strategies is a significant risk on its own.
- Option trading exchanges or markets and option contracts themselves are open to changes at all times.
- Options markets have the right to halt the trading of any options, thus preventing investors from realizing value.
- Risk of erroneous reporting of exercise value.
- If an options brokerage firm goes insolvent, investors trading through that firm may be affected.
- Internationally traded options have special risks due to timing across borders.

Risks that are not specific to options trading include market risk, sector risk and individual stock risk. Option trading risks are closely related to stock risks, as stock options are a derivative of stocks.

#### **Derivatives**

Derivatives are types of investments where the investor does not own the underlying asset. There are many different types of derivative instruments, including, but not limited to, options, swaps, futures, and forward contracts. Derivatives have numerous uses as well as various risks associated with them, but they are generally considered an alternative way to participate in the market. Investors typically use derivatives for three reasons: to hedge a position, to increase leverage, or to speculate on an asset's movement. The key to making a sound investment is to fully understand the characteristics and risks associated with the derivative, including, but not limited to counter-party, underlying asset, price, and expiration risks. The use of a derivative only makes sense if the investor is fully aware of the risks and understands the impact of the investment within a portfolio strategy. Due to the variety of available derivatives and the range of potential risks, a detailed explanation of derivatives is beyond the scope of this disclosure.

## **Item 9 Disciplinary Information**

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

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

### **Arrangements with Affiliated Entities**

We are affiliated, through common control and ownership, with Csuite Investment LLC, a registered investment adviser ("Csuite"). We will recommend that you use the services of Csuite if appropriate and suitable for your needs. Our advisory services are separate and distinct from the fees paid to Csuite for their services.

Referral arrangements with Csuite present a conflict of interest for us because we may have a financial incentive to recommend an affiliated firm's services. While we believe that compensation charged by Csuite is competitive, such compensation may be higher than fees charged by other firms providing the same or similar services. You are under no obligation to use the services of Csuite or any other firm we recommend, whether affiliated or otherwise, and may obtain comparable services and/or lower fees through other firms.

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

### **Description of Our Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

## Participation or Interest in Client Transactions

Neither our firm nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

## Personal Trading Practices

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

## Aggregated Trading

Our firm or persons associated with our firm may buy or sell securities for you at the same time we or persons associated with our firm buy or sell such securities for our own account. We may also combine our orders to purchase securities with your orders to purchase securities ("aggregated trading"). Refer to the Brokerage Practices section in this brochure for information on our aggregated trading practices.

A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

## Item 12 Brokerage Practices

We recommend the brokerage and custodial services of DriveWealth, LLC (the "Custodian"). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. In recognition of the value of the services the Custodian provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are, overall, the most favorable compared to other available providers and their services. We consider various factors, including:

- Capability to buy and sell securities for your account itself or to facilitate such services.
- The likelihood that your trades will be executed.
- Availability of investment research and tools.
- Overall quality of services.
- Competitiveness of price.
- Reputation, financial strength, and stability.
- Existing relationship with our firm and our other clients.

## Research and Other Soft Dollar Benefits

We may receive research or other products and services from the custodian to which your trades are directed. See Economic Benefits below.

## Economic Benefits

As a registered investment adviser, we have access to the institutional platform of your account custodian, which provides an economic benefit to us. As such, we will also have access to research and other products and services, including financial publications, information about particular companies and industries, research software, trading algorithms and other services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Such research and services may be provided to all investment advisers that utilize the institutional services platforms of these firms and may or may not be considered to be paid for with soft dollars.

## Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

**Directed Brokerage** We require that you direct our firm to execute transactions through DriveWealth, LLC. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require their clients to direct brokerage.



## Aggregated Trades

We combine multiple orders for shares of the same securities purchased for discretionary advisory accounts we manage (this practice is commonly referred to as “aggregated trading”). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner over time. Generally, participating accounts will pay a fixed transaction cost regardless of the number of shares transacted. In certain cases, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs on any given day. In the event an order is only partially filled, the shares will be allocated to participating accounts in a fair and equitable manner, typically in proportion to the size of each client’s order. Accounts owned by our firm or persons associated with our firm may participate in aggregated trading with your accounts; however, they will not be given preferential treatment.

## Item 13 Review of Accounts

We will not provide you with regular written reports. You will receive trade confirmations and monthly or quarterly statements from your account qualified custodian. We urge clients to review those statements promptly after receipt.

We do not review or monitor your investment account(s) or review statements you receive from any account custodian. However, our advisory software is designed to continuously review your accounts. On a discretionary basis, we may meet with you and/or your other professionals to discuss asset allocation models, but we will not make recommendations regarding specific investments or provide any regular written reports to you.

## Item 14 Client Referrals and Other Compensation

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

Comparable services and/or lower fees may be available through other firms.

## Item 15 Custody

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other qualified custodian. You will receive account statements from the qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

We will also provide statements to you reflecting the amount of the advisory fee deducted from your account. You should compare our statements with the statements from your account custodian(s) to reconcile the information reflected on each statement. If you have a question regarding your account statement, or if you did not receive a statement from your custodian, contact us immediately at the telephone number on the cover page of this brochure.

## Asset Transfer and/or Standing Letter of Authorization

Our firm, or persons associated with our firm, may effect asset transfers from client accounts to one or more third parties designated, in writing, by the client without obtaining written client consent for each separate, individual transaction, as long as the client has provided us with written authorization to do so. Such written authorization is known as a Standing Letter of Authorization. An adviser with authority to conduct such third-party asset transfers has access to the client’s assets, and therefore has custody of the client’s assets in any related accounts.

However, we are not required to obtain a surprise annual audit, as we otherwise would be required to by reason of having custody, as long as we meet the following criteria:

1. You provide a written, signed instruction to the qualified custodian that includes the third party’s name and address or account number at a custodian;
2. You authorize us in writing to direct transfers to the third party either on a specified schedule or from time to time;
3. Your qualified custodian verifies your authorization (e.g., signature review) and provides a transfer of funds notice to you promptly after each transfer;
4. You can terminate or change the instruction;
5. We have no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party;
6. We maintain records showing that the third party is not a related party to us nor located at the same address as us; and

7. Your qualified custodian sends you, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

We hereby confirm that we meet the above criteria.

## Item 16 Investment Discretion

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement and the appropriate trading authorization forms.

We do not open or maintain non-discretionary advisory accounts.

## Item 17 Voting Client Securities

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitations to vote proxies.

## Item 18 Financial Information

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and, we do not require the prepayment of more than \$1,200 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this brochure.

We have not filed a bankruptcy petition at any time in the past ten years.

## Item 19 Requirements for State-Registered Advisers

We are a federally registered investment adviser; therefore, we are not required to respond to this item.

## Item 20 Additional Information

### Trade Errors

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

### IRA Rollover Considerations

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you a subscription-based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee-based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of:

- Leaving the funds in your employer's (former employer's) plan.
- Moving the funds to a new employer's retirement plan.
- Cashing out and taking a taxable distribution from the plan.
- Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

**If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:**

- Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
- Employer retirement plans generally have a more limited investment menu than IRAs.
- Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
- Your current plan may have lower fees than our fees.
- If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
- You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
- Our strategy may have higher risk than the option(s) provided to you in your plan.
- Your current plan may also offer financial advice.
- If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 70.5.
- Your 401k may offer more liability protection than a rollover IRA; each state may vary.
- Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
- You may be able to take out a loan on your 401k, but not from an IRA.
- IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
- If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
- Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.

Samundra Timilsina



Personal Adviser Inc.  
D/B/A Wealthup

One Market St  
Spear Tower - 36th Floor  
San Francisco, CA 94105

Telephone: 415-861-9461

June 3rd, 2020

## **FORM ADV PART 2B BROCHURE SUPPLEMENT**

This brochure supplement provides information about Samundra Timilsina that supplements the Wealthup brochure. You should have received a copy of that brochure. Contact us at 415-861-9461 if you did not receive Wealthup's brochure or if you have any questions about the contents of this supplement.

Additional information about Samundra Timilsina (CRD # 5718799) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



## Item 2 Educational Background and Business Experience

### Samundra Timilsina

Year of Birth: 1983

#### Formal Education After High School:

University of Southern California, MBA, Business, 5/2019

- San Jose State University, BS, Finance, 5/2012

#### Business Background:

- Personal Adviser Inc., Investment Adviser Representative, 06/2019- Present
- Personal Adviser Inc., CEO/ Chief Compliance Officer, 01/2019- Present
- Csuite Investment LLC, Managing Member/Chief Compliance Officer/Investment Adviser Representative, 12/2018 - Present
- Wells Fargo Clearing Services, LLC, VP Financial Advisor, 2/2015 - 1/2019
- JP Morgan Securities LLC, VP Financial Advisor, 10/2013 - 2/2015
- Bank of America, N.A., AVP Financial Advisor, 11/2011 - 9/2013
- Merrill Lynch Pierce Fenner and Smith, AVP Financial Advisor, 9/2011 - 9/2013

## Item 3 Disciplinary Information

Form ADV Part 2B requires disclosure of certain criminal or civil actions, administrative proceedings, and self-regulatory organization proceedings, as well as certain other proceedings related to suspension or revocation of a professional attainment, designation, or license. Mr. Samundra Timilsina has no required disclosures under this item.

## Item 4 Other Business Activities

Samundra Timilsina is separately licensed as an independent insurance agent. In this capacity, he can effect transactions in insurance products for his clients and earn commissions for these activities. The fees you pay our firm for advisory services are separate and distinct from the commissions earned by Mr. Timilsina for insurance related activities. This presents a conflict of interest because Mr. Timilsina may have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

Samundra Timilsina is Managing Member/CCO/CIO of Csuite Investment LLC, a registered investment adviser and affiliated company under common ownership with Wealthup. When appropriate, Mr. Timilsina may recommend that you use the investment advisory services of Csuite Investment LLC. If you choose to utilize the advisory services of Mr. Timilsina through Csuite Investment LLC, at your sole discretion, he may receive additional fees or other compensation in his capacity as an investment adviser representative. These fees would be in addition to any fees charged for the advisory services provided through Wealthup, if you choose to engage both firms for advisory services. Under no circumstance are you obligated to utilize the advisory services of this affiliated company.

## Item 5 Additional Compensation

Refer to the Other Business Activities section above for disclosures on Mr. Timilsina's receipt of additional compensation as a result of his other business activities.

Also, refer to the Fees and Compensation, Client Referrals and Other Compensation, and Other Financial Industry Activities and Affiliations section(s) of Wealthup's firm brochure for additional disclosures on this topic.

## Item 6 Supervision

As the CEO/ Chief Compliance Officer of Wealthup, Samundra Timilsina supervises the advisory activities of our firm. Samundra Timilsina can be reached at 415-861-9461.



Personal Adviser Inc.  
D/B/A Wealthup

## Discretionary Portfolio Management Agreement

This Portfolio Management Agreement (the "Agreement") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ (the "Effective Date") by and between Personal Adviser Inc. (hereinafter referred to as "Adviser"), a registered investment adviser and \_\_\_\_\_ (hereinafter referred to as "Client").

Adviser shall provide Client with discretionary portfolio management services, which may include the strategic organization, structure and management of assets, and the coordination and selection of other professionals. Client will also complete a statement of investment selection or other suitability forms (collectively referred to as "statement of investment objectives") that details Client's financial profile and the assets that are subject to Adviser's management (the "Account").

### 1. Scope of Engagement.

Client hereby appoints Adviser as an investment adviser to perform the services hereinafter described, and Adviser accepts such appointment. Adviser shall be responsible for the investment and reinvestment of those assets of Client designated by Client to be subject to Adviser's management (which assets, together with all additions, substitutions and/or alterations thereto are hereinafter referred to as the "Assets" or "Account");

Client delegates to Adviser all of its powers with regard to the investment and reinvestment of the Assets and appoints Adviser with limited power of attorney to buy, sell, or otherwise effect investment transactions involving the Assets in Client's name and for Client's Account;

Adviser is authorized, without prior consultation with Client, to buy, sell, and trade in stocks, bonds, mutual funds, and other securities and/or contracts relating to the same, on margin (only if written authorization has been granted) or otherwise, and to give instructions in furtherance of such authority to the registered broker-dealer and the custodian of the Assets;

Client acknowledges that Adviser may, in accordance with Client's investment objective(s), determine to allocate all or a portion of the Assets among various individual debt and/or equity securities and/or mutual funds, or other securities or investment contracts; and,

Client agrees to provide information and/or documentation requested by Adviser in furtherance of this Agreement as it pertains to Client's investment objectives, needs and goals, and to keep Adviser duly informed of any changes regarding same. Client acknowledges that Adviser cannot adequately perform its services for Client unless Client diligently performs Client's responsibilities under this Agreement. Adviser shall not be required to verify any information obtained from Client, Client's attorney, accountant or other professionals, and is expressly authorized to rely thereon.

### 2. Adviser Compensation.

- Adviser's annual fee for portfolio management services provided under this Agreement is in accordance with the fee schedule annexed hereto and made a part hereof as Exhibit A. The annual fee shall be prorated and details related to payment of the fee are also included at Exhibit A. No increase in the annual fee shall be effective without Client's prior written consent;
- Client authorizes the custodian of the Assets to charge the Account for the amount of Adviser's fee and to remit such fee to Adviser in accordance with required regulatory procedures;
- In addition to Adviser's annual portfolio management fee, Client shall also incur, relative to any mutual fund and exchange traded fund ("ETF") purchases, charges imposed directly at the mutual fund or ETF level (e.g. advisory fees and other fund expenses); and,
- No portion of Adviser's Compensation shall be based on capital gains or capital appreciation of the Assets except as provided for under the Investment Advisers Act of 1940, and/or relevant state law.



### 3. Custodian.

The Assets shall be held by an independent custodian, not the Adviser. Adviser is authorized to give instructions to the custodian with respect to all investment decisions regarding the Assets and the custodian is hereby authorized and directed to effect transactions. The fees charged to Client by the custodian are exclusive of, and in addition to, Adviser's Compensation as defined in Item 2 above, and other charges discussed herein. Adviser does not share in any portion of the fees assessed by Client's custodian(s).

### 4. Execution of Brokerage Transactions.

Adviser will arrange for the execution of securities brokerage transactions for the Account through custodians that Adviser reasonably believes will provide "best execution." 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 custodian's services including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Adviser will seek competitive commission rates, it may not necessarily obtain the lowest possible commission rates for Account transactions. Adviser does not obligate itself to seek the lowest transaction charges in all cases except to the extent that it contributes to the overall goal of obtaining the best results for Client's account.

### 5. Account Transactions.

- Client recognizes and agrees that in order for Adviser to discharge its responsibilities, it must engage in securities brokerage transactions described in Item 1 herein;
- Commissions and/or transaction fees are generally charged for effecting securities transactions;
- Adviser, in return for effecting securities brokerage transactions through certain broker-dealers, may receive from those broker-dealers certain investment research products and/or services which assist Adviser in its investment decision making process for the Client.

### 6. Risk Acknowledgment.

Adviser does not guarantee the future performance of the Account or any specific level of performance, the success of any investment decision or strategy that Adviser may use, or the success of Adviser's overall management of the Account. Client understands that investment decisions made for the Account by Adviser are subject to various market, currency, economic, political and business risks, and that those investment decisions will not always be profitable.

### 7. Directions to Adviser.

All directions by Client to Adviser (including notices, instructions, directions relating to changes in the Client's investment objectives) shall be in writing. Adviser shall be fully protected in relying upon any such direction, notice, or instruction until it has been duly advised in writing of changes therein.

### 8. Adviser Liability.

Except as otherwise provided by federal or state laws, Adviser, acting in good faith, shall not be liable for any action, omission, investment recommendation/decision, or loss in connection with this Agreement including, but not limited to, the investment of the Assets, or the acts and/or omissions of other professionals or third party service providers recommended to Client by Adviser, including a broker-dealer and/or custodian. If the Account contains only a portion of Client's total assets, Adviser shall only be responsible for those assets that Client has designated to be the subject of Adviser's portfolio management services under this Agreement without consideration to those additional assets not so designated by Client. The federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith, and therefore nothing in this Agreement will waive or limit any rights that Client may have under those laws.

### 9. Proxies.

Client shall be responsible for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by Client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the Assets. Adviser is authorized to instruct the custodian to forward to Client copies of all proxies and shareholder communications relating to the Assets.

### 10. Reports.

Client will receive confirmations of each transaction executed for the Account and a brokerage statement(s) no less than quarterly directly from the Custodian. Adviser may provide periodic reports to Client as deemed necessary by Adviser.

## 11. Termination.

This Agreement will continue in effect until terminated by either party on 30 days written notice to the other party (email notice will not suffice), which written notice must be signed by the terminating party. Termination of this Agreement will not affect (i) the validity of any action previously taken by Adviser under this Agreement; (ii) liabilities or obligations of the parties from transactions initiated before termination of this Agreement; or (iii) Client's obligation to pay advisory fees (prorated through the date of termination). Upon the termination of this Agreement, Adviser will have no obligation to recommend or take any action with regard to the securities, cash or other investments in the Account. If this Agreement is terminated, Adviser's fee will be prorated for the quarter that the termination notice is given, and any unearned fees will be returned to Client.

## 12. Assignment and Modification.

This Agreement may not be assigned (within the meaning of the Advisers Act) by either Client or Adviser without the prior written consent of the other party. Client acknowledges and agrees that transactions that do not result in a change of actual control or management of Adviser shall not be considered an assignment pursuant to Rule 202(a)(1)-1 under the Investment Advisers Act of 1940, and/or relevant state law.

Unless expressly stated otherwise, no provision of this Agreement or any of the documents referred to herein may be amended, modified, supplemented, changed, waived, discharged or terminated, except by a writing signed by each party hereto. No failure by Adviser or Client to exercise any right, power, or privilege that Adviser or Client may have under this Agreement shall operate as a waiver thereof.

## 13. Non-Exclusive Management.

Adviser, its officers, employees, and agents, may have or take the same or similar positions in specific investments for their own accounts, or for the accounts of other clients, as Adviser does for the Account. Client expressly acknowledges and understands that Adviser shall be free to render investment advice to others and that Adviser does not make its portfolio management services available exclusively to Client. Nothing in this Agreement shall impose upon Adviser any obligation to purchase or sell, or to recommend for purchase or sale, for the Account any security which Adviser, its principals, affiliates or employees, may purchase or sell for their own accounts or for the account of any other Client, if in the reasonable opinion of Adviser such investment would be unsuitable for the Account or if Adviser determines in the best interest of the Account it would be impractical or undesirable.

## 14. Death or Disability.

The death or incapacity of the Client shall not terminate the authority of our firm granted herein until we shall receive actual notice of such death or incapacity. Upon such notice, your executor, guardian, attorney-in-fact or other authorized representative must engage our firm in order for us to continue to service you accounts.

## 15. Receipt of Disclosures.

Client hereby acknowledges receipt of Adviser's Privacy Policy Notice and a copy of Adviser's written disclosure statement as set forth on Part 2 of Form ADV (Uniform Application for Investment Adviser Registration) or otherwise meeting the requirements of Rule 204-3 of the Advisers Act, and/or applicable state law. The Client acknowledges receipt of Part 2 of Form ADV and their Customer Relationship Summary at least forty-eight (48) hours prior to entering into this Agreement with Personal Adviser. If Personal Adviser's Part 2 of Form ADV was not provided forty-eight (48) hours prior to entering into this Agreement, then the Client has the right to terminate the contract without penalty within five (5) business days after entering into the contract.

Date ADV and Privacy Notice received 

|      |                      |                      |     |                      |                      |   |                      |                      |
|------|----------------------|----------------------|-----|----------------------|----------------------|---|----------------------|----------------------|
|      | Month                |                      | Day |                      | Year                 |   |                      |                      |
| Date | <input type="text"/> | <input type="text"/> | -   | <input type="text"/> | <input type="text"/> | - | <input type="text"/> | <input type="text"/> |

 Client initial \_\_\_\_\_

## 16. Electronic Delivery.

The Client acknowledges that Personal Adviser has their express permission for delivery of all documents relating to their Account electronically. Client hereby consents to the receipt of disclosure information, including, but not limited to, Adviser's Form ADV Part 2A Brochure and Part 2B Brochure Supplement and privacy policy disclosures, and other forms of communication electronically. Client asserts that Client is capable of receiving such disclosures electronically and understands that non-public personal information may be sent via e-mail or other electronic media, and that electronic media (including e-mail) may not be as reliable or secure as other forms of communication. Client may withdraw this consent at any time by providing written notice to Adviser in accordance with Paragraph 7 herein.

Unless Adviser has reason to believe that delivery of any electronic communications was not effective (such as a returned e-mail), Adviser is entitled to rely on the information Client provides as evidence of delivery and Adviser is not required to obtain delivery confirmation or a "read receipt." If Client's e-mail address changes or if Client no longer has the ability to access e-mail or access any related client web portal, Client must promptly notify Adviser in writing and provide updated information or withdraw this consent of electronic delivery.

Client initial \_\_\_\_\_

Client email address: \_\_\_\_\_

## 17. Trade Errors.

All Account trades are placed electronically or telephonically by Adviser. Adviser assumes responsibility for any Account losses for trading errors directly resulting from Adviser's failure to follow Adviser's trading procedures or from a lapse in Adviser's internal communications. In such instances, the Account(s) will be compensated for any such corresponding losses. However, Client acknowledges that Adviser cannot and will not be responsible for Account errors and/or losses that occur where Adviser has used its best efforts (without direct failure on the part of Adviser) to execute trades in a timely and efficient manner. If a trade or some portion of a trade is not effected or an electronic "glitch" occurs which results in the Account not being traded at the same time or at the same price as others, and such occurrence is not a result of Adviser's failure to execute or follow its trade procedures, the resulting loss will not be considered a trading error for which Adviser is responsible. In addition, virtually all mutual funds, as disclosed in their prospectuses, reserve the right to refuse to execute trades if, in a fund's sole judgment, the trade(s) would jeopardize the value of the fund. Adviser has no authority to change, alter, amend, or negotiate any provision set forth in a mutual fund prospectus. Client further acknowledges that Adviser cannot and will not be responsible for trades that are not properly executed by any clearing firm, custodian, mutual fund, or insurance company, when an order has been properly submitted by Adviser. Finally, Adviser cannot be responsible for a unilateral adverse decision by a mutual fund or insurance company to restrict and/or prohibit mutual fund portfolio management programs.

## 18. Severability.

Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms or provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction.

## 19. Client Conflicts.

If this Agreement is between Adviser and related Clients (i.e. married couple), Adviser's services shall be based upon the joint goals communicated to Adviser. Adviser shall be permitted to rely upon instructions from either party with respect to disposition of the Assets, unless and until such reliance is revoked in writing to the Adviser. The Adviser shall not be responsible for any claims or damages resulting from such reliance or from any change in the status of the relationship between the Clients.

## 20. Applicable Law.

To the extent not inconsistent with applicable law, this Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

## 21. Authority.

Client acknowledges that he/she/they/it has (have) all requisite legal authority to execute this Agreement, and that there are no encumbrances on the Assets. Client correspondingly agrees to immediately notify Adviser, in writing, in the event that either of these representations should change.

## 22. Arbitration.

Subject to the conditions and exceptions noted below, and to the extent not inconsistent with applicable law, in the event of any dispute pertaining to Adviser's services under this Agreement, both Adviser and Client agree to submit the dispute to arbitration in accordance with the auspices and rules of the American Arbitration Association ("AAA"), provided that the AAA accepts jurisdiction. Adviser and Client understand that such arbitration shall be final and binding, and that by agreeing to arbitration, both Adviser and Client are waiving their respective rights to seek remedies in court, including the right to a jury trial. Client acknowledges and agrees that in the specific event of non-payment of any portion of Adviser Compensation pursuant to Item 2 of this Agreement, Adviser, in addition to the aforementioned arbitration remedy, shall be free to pursue all other legal remedies available to it under law, and shall be entitled to reimbursement of reasonable attorneys fees and other costs of collection.

Client understands that this Agreement to arbitrate does not constitute a waiver of Client's right to seek a judicial forum where such waiver would be void under federal or applicable state securities laws.

**THIS CONTRACT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.**

[SIGNATURE PAGE FOLLOWS]



## SIGNATURE PAGE FOR DISCRETIONARY PORTFOLIO MANAGEMENT AGREEMENT

IN WITNESS WHEREOF, Client and Adviser have each executed this Agreement on the day, month and year first above written. By each party executing this Agreement they acknowledge and accept their respective rights, duties, and responsibilities hereunder.

Primary Account Owner(s) Printed Name

Primary Account Owner's Signature  
X

Date   -   -

Joint Account Owner's Printed Name

Joint Account Owner's Signature  
X

Date   -   -

### Primary Account Address

Home Street Address (No P.O Boxes)

City

State

Zip Code

### Joint Account Address

Home Street Address (No P.O Boxes)

City

State

Zip Code

### Personal Adviser Inc.

Name of Signatory (Print name)

Signature for Adviser  
X

Date   -   -

### Adviser Address:

One Market St  
Spear Tower - 36th Floor  
San Francisco, CA 94105



# Exhibit A

## Fee Schedule

Our fee for portfolio management services is based on a flat subscription fee, paid monthly by you. The monthly subscription fee is \$20 per month, per account. We offer a discounted fee (\$10 per month, per account) to students (ages 18-25) and active military and/or military veterans. In addition, a family may open up to four separate family accounts (per household address), and the flat family rate is \$50 per month. These fees are not negotiable. Fees are payable monthly, in advance, and fees will be deducted directly from the account held at the qualified custodian. For a family platform, you will indicate which account is subject to the \$50 monthly fee. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy.

If this Agreement is terminated, Adviser's fee will be prorated for the month that the termination notice is given, and any unearned fees will be returned to Client.

Adviser's fee for the services provided under this Agreement shall be \$20 per month, per account.

## SIGNATURE FOR EXHIBIT A

|  |  |
|--|--|
| Primary Account Owner(s) Printed Name  |  |
| Primary Account Owner's Signature<br>X | Date <input type="text"/> <input type="text"/> - <input type="text"/> <input type="text"/> - <input type="text"/> <input type="text"/> |
| Joint Account Owner's Printed Name     |  |
| Joint Account Owner's Signature<br>X   | Date <input type="text"/> <input type="text"/> - <input type="text"/> <input type="text"/> - <input type="text"/> <input type="text"/> |

## Personal Adviser Inc.

|                                |  |
|--------------------------------|--|
| Name of Signatory (Print name) |  |
| Signature for Adviser<br>X     | Date <input type="text"/> <input type="text"/> - <input type="text"/> <input type="text"/> - <input type="text"/> <input type="text"/> |

