Item 1: Cover Page

Downshift Financial, LLC

3795 Darley Ave
Boulder, CO 80305

Form ADV Part 2A – Firm Brochure

(720) 515-0564

https://downshiftfinancial.com

Dated March 27, 2024

This Brochure provides information about the qualifications and business practices of Downshift Financial, LLC, "DSF". If you have any questions about the contents of this Brochure, please contact us at (720) 515-0564. 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.

Downshift Financial, LLC is registered as an Investment Adviser with the State of Colorado. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about DSF is available on the SEC's website at www.adviserinfo.sec.gov, which can be found using the firm's identification number, 314068.

Item 2: Material Changes

Their has been no material changes to this Form ADV Part 2A since our previous filing on 11/3/2023.

In the future, any new material changes made during the year will be reported here.

Item 3: Table of Contents

Item 4: Advisory Business

Description of Advisory Firm

Downshift Financial, LLC (hereinafter referred to as “DSF”, “Advisor”, “we”, “firm”, and “us”) is a registered Investment Advisor headquartered in the State of Colorado. DSF became registered with the State of Colorado in June 2021, and has since registered in other states as required by applicable state laws. Travis Hughes and Edwin Liang are the owners and partners of DSF, and Travis Hughes is the Chief Compliance Officer.

Types of Advisory Services

Investment Management Services

Our firm provides continuous advice to a Client regarding the investment of Client funds based on the individual needs of the Client. Through personal discussions in which goals and objectives based on a Client's particular circumstances are established, we develop a Client's personal investment policy or an investment plan with an asset allocation target and create and manage a portfolio based on that policy and allocation targets. We will also review and discuss a Client’s prior investment history, as well as family composition and background. Account supervision is guided by the stated objectives of the Client (e.g., maximum capital appreciation, growth, income, or growth, and income), as well as risk tolerance and tax considerations.

We primarily advise our Clients regarding investments in stocks, bonds, mutual funds, ETFs, U.S. government and municipal securities, and cash and cash equivalents. We may also provide advice regarding investments held in Client’s portfolio at the inception of our advisory relationship and/or other investment types not listed above, at the Client’s request.

When we provide investment management services, Clients grant us limited authority to buy and sell securities on a discretionary basis. More information on our trading authority is explained in Item 16 of this Brochure. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Comprehensive Wealth Management

Comprehensive Wealth Management services primarily consists of ongoing investment management and includes financial planning services at no additional cost. Investment Management involves managing individually tailored investment portfolios on a discretionary basis that are constructed and supervised in accordance with the Client’s established goals and objectives. Our firm provides continuous investment advice to a Client regarding the investment of Client funds based on the individual needs of the Client. Financial planning involves working one-on-one with a planner on an ongoing basis. By paying a fixed quarterly fee, Clients get to work with a planner who will work with them to develop and implement their plan. The planner will monitor the plan, recommend any appropriate changes and ensure the plan remains up to date. Clients engaging in Comprehensive Wealth Management are usually billed directly from their managed investment accounts and in accordance with Item 5 of this brochure. In some cases, clients are instead billed directly through an independent and secured payment processing system.

Upon engaging the firm, a Client will be taken through establishing their goals and values around money, discussing their investment objectives, and will be asked to provide us with information to help us complete our full analysis of their financial and investment related situation. The information provided usually includes matters surrounding their net worth, cash flow, insurance, credit scores/reports, tax returns, employee benefits, retirement planning, investments, college planning, and estate planning. Once the Client's information is reviewed, their financial and investment plan will be built and analyzed, and then the findings, analysis, and potential changes to their current situation will be reviewed with the Client. Clients engaging in this service may receive a written or an electronic report, providing the Client with a detailed financial plan designed to achieve his or her stated financial goals and objectives. Ongoing financial planning as well as investment management will include the following: periodic follow-up meetings; monitoring throughout the year; recommendations for adjustments by phone and email; implementation of any agreed upon action steps; annual full review of the plan; tax analysis; annual benefits review; unlimited email access, unlimited access to proprietary education material; unlimited access to client portal including budgeting and account aggregation resources.

Financial plans may address any or all of the following areas of concern. The Client and advisor will work together to select specific areas to cover. These areas may include, but are not limited to, the following:

- **Cash Flow and Debt Management**: We may conduct a review of your income and expenses to determine your current surplus or deficit along with advice on prioritizing how any surplus should be used or how to reduce expenses if they exceed your income. Advice may also be provided on which debts to pay off first based on factors such as the interest rate of the debt and any income tax ramifications. We may also recommend what we believe to be an appropriate cash reserve that should be considered for emergencies and other financial goals, along with a review of accounts (such as money market funds) for such reserves, plus strategies to save desired amounts.

- **College Savings**: Includes projecting the amount that will be needed to achieve college or other post-secondary education funding goals, along with advice on ways for you to save the desired amount. Recommendations as to savings strategies are included, and, if needed, we will review your financial picture as it relates to eligibility for financial aid or the best way to contribute to grandchildren (if appropriate).

- **Employee Benefits Optimization**: We will provide review and analysis as to whether you, as an employee, are taking the maximum advantage possible of your employee benefits. If you are a business owner, we will consider and/or recommend the various benefit programs that can be structured to meet both business and personal retirement goals.

- **Estate Planning**: This usually includes an analysis of your exposure to estate taxes and your current estate plan, which may include whether you have a will, powers of attorney, trusts, and other related documents. Our advice also typically includes ways for you to minimize or avoid future estate taxes by implementing appropriate estate planning strategies such as the use of applicable trusts. Advisor does not offer legal advice or practice law. We are not attorneys. We always recommend that you consult with a qualified attorney when you initiate, update, or complete estate planning activities. We may provide you with contact information for attorneys who specialize in estate planning when you wish to hire an attorney for such purposes. We are not affiliated with, do not receive compensation from, and do not share in the fees paid to any third-party estate planning firm. From time-to-time, we will participate in meetings or phone calls between you and your attorney with your approval or request. Estate planning is a critical task that is often left undone or incomplete due to costs. To incentivize Client to keep their estate plans up to date, Advisor will discount Client’s future Comprehensive Wealth Management fees, subject to limitations, if Client presents Advisor with updated estate planning documents and a paid invoice from their estate planning attorney. Advisor will provide Client with an initial discount for Client’s actual costs up to a $700 maximum discount. Thereafter, Advisor will provide Client with a discount for Client's actual costs up to a $300 maximum discount once per 24-month period.

- **Financial Goals**: We will help Clients identify financial goals and develop a plan to reach them. We will identify what you plan to accomplish, what resources you will need to make it happen, how much time you will need to reach the goal, and how much you should budget for your goal.

- **Insurance**: Review of existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home, and automobile.

- **Investment Analysis**: This may involve developing an asset allocation strategy to meet Clients' financial goals and risk tolerance, providing information on investment vehicles and strategies, reviewing employee stock options, as well as assisting you in establishing your own investment account at a selected broker/dealer or custodian. The strategies and types of investments we may recommend are further discussed in Item 8 of this brochure.

- **Retirement Planning**: Our retirement planning services typically include projections of your likelihood of achieving your financial goals, typically focusing on financial independence as the primary objective. For situations where projections show less than the desired results, we may make recommendations, including those that may impact the original projections by adjusting certain variables (e.g., working longer, saving more, spending less, taking more risk with investments).

  If you are near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during your retirement years.

- **Risk Management:** A risk management review includes an analysis of your exposure to major risks that could have a significant adverse impact on your financial picture, such as premature death, disability, property and casualty losses, or the need for long-term care planning. Advice may be provided on ways to minimize such risks and about weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential cost of not purchasing insurance ("self-insuring").

- **Tax Planning Strategies:** Advice may include ways to minimize current and future income taxes as a part of your overall financial planning picture. For example, we may make recommendations on which type of account(s) or specific investments should be owned based in part on their "tax efficiency," with the consideration that there is always a possibility of future changes to federal, state or local tax laws and rates that may impact your situation.

  We recommend that you consult with a qualified tax professional before initiating any tax planning strategy, and we may provide you with contact information for accountants or attorneys who specialize in this area if you wish to hire someone for such purposes. We will participate in meetings or phone calls between you and your tax professional with your approval.

Employee Benefit Plan Services

Our firm provides employee benefit plan services to employer plan sponsors on an ongoing basis. Generally, such services consist of assisting employer plan sponsors in establishing, monitoring and reviewing their company's participant-directed retirement plan. As the needs of the plan sponsor dictate, areas of advising could include: investment options, plan structure, and participant education.

CCR Section 260.235.2 Disclosure

For Clients who receive our Financial Planning services, we must state when a conflict exists between the interests of our firm and the interests of our Client. The Client is under no obligation to act upon our recommendation. If the Client elects to act on any of the recommendations, the Client is under no obligation to effect the transaction through our firm.

Downshift Financial does not offer legal advice or practice law. We are not attorneys. We always recommend Clients consult with a qualified attorney to draft, update, or complete their estate plans.

We do not charge a fee for this service.

Client Tailored Services and Client Imposed Restrictions

We offer the same suite of services to all of our Clients. However, specific Client recommendations and their implementation are dependent upon the Client financial plan and supplementary information which will outline each Client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a Client specific plan to aid in the selection of a portfolio that matches needs and targets.

We do not allow clients to place restrictions on accounts where we have been provided with discretionary trading authority. With discretionary authority, we maintain the ability to manage accounts without requiring the client's authorization prior to each transaction or series of transactions. We will abide by the client's Investment Policy Statement at all times and will review that investment policy statement at least every two years to ensure that it remains up to date.

Wrap Fee Programs

We do not participate in wrap fee programs.

Assets Under Management

As of January 29th, 2024 DSF has $70,000,000 in discretionary assets under management and $2,000,000 in non-discretionary assets under management.

Item 5: Fees and Compensation

Please note, the investment advisory contract may be terminated by the client within five (5) business days from the date signed by Client without incurring any advisory fees or penalties. How we are paid depends on the type of advisory service we are performing. Please review the fee and compensation information below. Please note, lower fees for comparable services may be available from other sources.

Investment Management

The annual fee for Investment Management is $8,000 per year, paid quarterly ($2,000) in advance. Advisor may prorate Client's fees, at Advisor's sole discretion, in order to set Client's subsequent quarterly fees due on specific dates. Fees may only be prorated for terms less than six months. The amount of the advisory fee is negotiable at the advisor's discretion.

Advisory fees may be directly debited from managed accounts, or the Client may choose to pay by electronic funds transfer or credit card. This service may be terminated at any time, and any prepaid but unearned fees up to the date of termination will be prorated and refunded to the Client. We will remit the refund via ACH, EFT, credit card, debit card, Schwab account credit, or by check. More information regarding direct debiting of fees from managed accounts is available in Item 15 below.

Comprehensive Wealth Management

The annual fee for Comprehensive Wealth Management is $8,000 per year, paid quarterly ($2,000) in advance. Advisor may prorate Client's fees, at Advisor's sole discretion, in order to set Client's subsequent quarterly fees due on specific dates. Fees may only be prorated for terms less than six months. The amount of the advisory fee is negotiable at the advisor's discretion.

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Other Types of Fees and Expenses

Our fees are inclusive of brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the Client. Clients may still incur additional charges imposed by custodians such as custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer, and electronic fund fees. Mutual fund and exchange-traded funds also charge internal management fees, which are disclosed in a fund's prospectus.

Item 12 further describes the factors that we consider in selecting or recommending broker-dealers for Client's transactions and determining the reasonableness of their compensation (e.g., commissions).

We do not accept compensation for the sale of securities or other investment products including asset-based sales charges or service fees from the sale of mutual funds.

Note: Any registered investment adviser who wishes to charge 3.0% or greater of the assets under management must disclose that such fee is in excess of the industry norm and that similar advisory services can be obtained for less.

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

We do not offer performance-based fees and do not engage in side-by-side management.

Item 7: Types of Clients

We provide Comprehensive Wealth Management services to individuals and high net-worth individuals.

We do not have a minimum account size requirement or have any additional requirements to open or maintain accounts.

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

Passive Investment Management: We primarily practice passive investment management. Passive investing involves building portfolios that are composed of various distinct asset classes. The asset classes are weighted in a manner to achieve the desired relationship between correlation, risk, and return. Funds that passively capture the returns of the desired asset classes are placed in the portfolio. The funds that are used to build passive portfolios are typically index mutual funds or exchange-traded funds.

Passive investment management is characterized by low portfolio expenses (i.e. the funds inside the portfolio have low internal costs), minimal trading costs (due to infrequent trading activity), and relative tax efficiency (because the funds inside the portfolio are tax efficient and turnover inside the portfolio is minimal).

In contrast, active management involves a single manager or managers who employ some method, strategy or technique to construct a portfolio that is intended to generate returns that are greater than the broader market or a designated benchmark.

Conservative Options Strategies: When suitable, we may engage in conservative options strategies in order to generate income, diversify concentrated positions, protect unrealized gains, or other similar goals. Such strategies include, but are not limited to: covered calls, protective puts, and collars. Options strategies are utilized on a case-by-case basis and are not suitable for all Clients.

Fundamental analysis involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience, and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The risk of fundamental analysis is that the information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Cyclical analysis is a type of technical analysis that involves evaluating recurring price patterns and trends based upon business cycles. Economic/business cycles may not be predictable and may have many fluctuations between long-term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

Material Risks Involved

All investing strategies we offer involve risk and may result in a loss of your original investment which you should be prepared to bear. Many of these risks apply equally to stocks, bonds, commodities, and any other investment or security. Material risks associated with our investment strategies are listed below.

Market Risk: Market risk involves the possibility that an investment's current market value will fall because of a general market decline. Index funds are intended to mirror the volatility of the underlying index which they are tracking. As market indices rise and fall, so too will the index funds tracking them.

Interest Rate Risk: Bond (fixed income) prices generally fall when interest rates rise, and the value may fall below par value or the principal investment. The opposite is also generally true: bond prices generally rise when interest rates fall. In general, fixed income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.

Legal or Legislative Risk: Legislative changes or Court rulings may impact the value of investments, or the securities' claim on the issuer's assets and finances.

Inflation Risk: Inflation may erode the buying power of your investment portfolio, even if the dollar value of your investments remains the same.

Risks Associated with Securities

Apart from the general risks outlined above which apply to all types of investments, specific securities may have other risks.

Exchange Traded Funds: ETF prices may vary significantly from the Net Asset Value due to market conditions. Certain Exchange Traded Funds may not track underlying benchmarks as expected. ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above (premium) or below (discount) their net asset value; and (ii) ETFs are not guaranteed to trade at the same premium or discount at the time of your next purchase or sale of the same ETF as an ETF bought at a premium can ultimately sell at a discount resulting in the loss of the premium, (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are delisted from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. The Adviser has no control over the risks taken by the underlying funds in which the Clients invest.

Mutual Funds: When a Client invests in open-end mutual funds or ETFs, the Client indirectly bears its proportionate share of any fees and expenses payable directly by those funds. Therefore, the Client will incur higher expenses, many of which may be duplicative. In addition, the Client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives).

Digital Assets: While digital assets do not play a role in DSF's primary investment strategies, we will discuss questions with Clients. Investing in digital assets (such as cryptocurrencies) poses significant and unique risks. Although some digital assets have had excellent long term returns over the last decade, they also exhibit extreme volatility. Sustained long term performance is not guaranteed. Beyond risks of volatility and performance, digital assets pose several unique risks. Most digital assets are not classified as securities and therefore are not subject to the same regulations and treatment as securities. Digital asset accounts and value balances are not protected by the Federal Deposit Insurance Corporation (FDIC) or Securities Investor Protection Corporation (SIPC). Establishing and maintaining an account at an exchange can be difficult. Exchanges often charge fees as a percentage of each transaction and/or spreads for matching buyers with sellers. Transferring digital assets can be uniquely difficult and mistakes often cannot be undone. Digital asset wallets can be lost, stolen, damaged, or destroyed, or users can become permanently locked out of their digital asset wallets. In such a case, recovery of the digital assets is impossible. Taxation is handled differently than with securities such as stocks or ETFs. Regulations and taxation are subject to change at any time. It is even possible that the US Government may ban possession or ownership of some or all digital assets. Only discretionary capital marked for speculative purposes should be used to invest in digital assets. Investing in digital assets is not suitable or desirable for all Clients.

Options and other derivatives carry many unique risks, including time-sensitivity, and can result in the complete loss of principal. While covered call writing does provide a partial hedge to the stock against which the call is written, the hedge is limited to the amount of cash flow received when writing the option. When selling covered calls, there is a risk the underlying position may be called away at a price lower than the current market price.

Item 9: Disciplinary Information

Criminal or Civil Actions

DSF and its management have not been involved in any criminal or civil action.

Administrative Enforcement Proceedings

DSF and its management have not been involved in administrative enforcement proceedings.

Self-Regulatory Organization Enforcement Proceedings

DSF and its management have not been involved in legal or disciplinary events that are material to a Client's or prospective Client's evaluation of DSF or the integrity of its management.

Item 10: Other Financial Industry Activities and Affiliations

Neither DSF or any of its employees is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither DSF or any of its employees is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading advisor.

DSF does not have any related parties. As a result, we do not have a relationship with any related parties.

DSF only receives compensation directly from Clients. We do not receive compensation from any outside source. We do not have any conflicts of interest with any outside party.

Recommendations or Selections of Other Investment Advisers

DSF does not recommend Clients to other investment advisers to manage their accounts.

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

As a fiduciary, our firm and its associates have a duty of utmost good faith to act solely in the best interests of each Client. Our Clients entrust us with their funds and personal information, which in turn places a high standard on our conduct and integrity. Our fiduciary duty is a core aspect of our Code of Ethics and represents the expected basis of all of our dealings. The firm also accepts the obligation not only to comply with the mandates and requirements of all applicable laws and regulations but also to take responsibility to act in an ethical and professionally responsible manner in all professional services and activities.

Code of Ethics Description

This code does not attempt to identify all possible conflicts of interest, and literal compliance with each of its specific provisions will not shield associated persons from liability for personal trading or other conduct that violates a fiduciary duty to advisory Clients. A summary of the Code of Ethics' Principles is outlined below.

- Integrity - Associated persons shall offer and provide professional services with integrity.
- Objectivity - Associated persons shall be objective in providing professional services to Clients.
- Competence - Associated persons shall provide services to Clients competently and maintain the necessary knowledge and skill to continue to do so in those areas in which they are engaged.
- Fairness - Associated persons shall perform professional services in a manner that is fair and reasonable to Clients, principals, partners, and employers, and shall disclose conflict(s) of interest in providing such services.
- Confidentiality - Associated persons shall not disclose confidential Client information without the specific consent of the Client unless in response to proper legal process, or as required by law.
- Professionalism - Associated persons' conduct in all matters shall reflect the credit of the profession.
- Diligence - Associated persons shall act diligently in providing professional services.

We periodically review and amend our Code of Ethics to ensure that it remains current, and we require all firm access persons to attest to their understanding of and adherence to the Code of Ethics at least annually. Our firm will provide a copy of its Code of Ethics to any Client or prospective Client upon request.

Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest

Neither our firm, its associates or any related person is authorized to recommend to a Client or effect a transaction for a Client, involving any security in which our firm or a related person has a material financial interest, such as in the capacity as an underwriter, adviser to the issuer, etc.

Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest

Our firm and its “related persons” may buy or sell securities similar to, or different from, those we recommend to Clients for their accounts. In an effort to mitigate certain conflicts of interest involving the firm or personal trading, our policy may require that we restrict or prohibit associates’ transactions in specific reportable securities transactions. Any exceptions or trading pre-clearance must be approved by the firm principal in advance of the transaction in an account, and we maintain the required personal securities transaction records per regulation.

Trading Securities At/Around the Same Time as Client’s Securities

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

Item 12: Brokerage Practices

Factors Used to Select Custodians

Downshift Financial, LLC does not have any affiliation with custodians. Specific custodian recommendations are made to the Client based on their need for such services. We recommend custodians based on the reputation and services provided by the firm.

With this in consideration, our firm requires custody of discretionary client accounts either at Charles Schwab & Co., Inc. or Altruist Financial, LLC ("Custodians"). Altruist clears through Apex Clearing Corporation. Custodians are independent and unaffiliated SEC registered broker-dealer firms and members of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). The Client will sign Custodians' account opening documentation.

When selecting a custodian, we have an obligation to seek the "best execution" of transactions in Client accounts. The determinative factor in the analysis of best execution is not the lowest possible commission cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of the custodian's services. The factors we consider when evaluating a custodian for best execution include, without limitation, the custodian's:

- Execution capability;
- Commission rate;
- Financial responsibility;
- Responsiveness and customer service;
- Custodian capabilities;
- Research services/ancillary brokerage services provided; and
- Any other factors that we consider relevant.

1. Research and Other Soft-Dollar Benefits

Our qualified custodian(s) used for investment management may provide us with certain brokerage and research products and services that qualify as "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934 ("Exchange Act"). This is commonly referred to as a "soft dollar" arrangement. These research products and/or services will assist us in our investment decision making process. Such research generally will be used to service all our client accounts, but brokerage charges paid by the client may be used to pay for research that is not used in managing that specific client's account.

2. Brokerage for Client Referrals

We receive no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. Clients Directing Which Custodian to Use

We require the use of either Charles Schwab & Co., Inc. or Altruist Financial, LLC to participate in our investment management services. Not all investment advisers require their Clients to use their recommended custodian. Because we only work with certain custodians, there may be times where we may be unable to achieve the most favorable execution of Client transactions and this may cost Clients money over using a lower-cost custodian.

The Custodians We Use (Charles Schwab and/or Altruist)

The Custodians we use maintain custody of your assets that we manage, although we may be deemed to have limited custody of your assets due to our ability to withdraw fees from your account (see Item 15 – Custody, below).

We require custody of discretionary client accounts at Schwab and/or Altruist, registered broker-dealers, members SIPC, as the qualified custodians. We are independently owned and operated and are not affiliated with Custodians. Custodians will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we require that you use these Custodians, you will decide whether to participate in DSF's discretionary investment management services and will open your account(s) with Custodians by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so.

How we select custodians: We seek to recommend a custodian that will hold your assets and execute transactions on terms that are overall most advantageous when compared with other available providers and their services. We consider a wide range of factors, including:

- Combination of transaction execution services and asset custody services (generally without a separate
- fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill
- payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds (ETFs),
- etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees,
- etc.) and willingness to negotiate the prices
- Reputation, financial strength, security and stability
- Prior service to us and our clients
- Availability of other products and services that benefit us, as discussed below (see "Products and services available to us from Schwab")

Your brokerage and custody costs: For our clients' accounts that Custodians maintain, Custodians generally do not charge you separately for custody services but are compensated by charging you commissions or other fees on trades that they execute or that settle into your account. Certain trades (for example, many mutual funds and ETFs) may not incur Custodians commissions or transaction fees.

Products and services available to us from Schwab: Schwab Advisor Services™ is Schwab's business serving independent investment advisory firms like us. They provide our clients and us with access to their institutional brokerage services (trading, custody, reporting and related services), many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. Following is a more detailed description of Schwab's support services:

Services that benefit you: Custodians' institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Custodians include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Custodians' services described in this paragraph generally benefit you and your account.

Services that may not directly benefit you: Custodians also make available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Custodians' own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Custodians. In addition to investment research, Custodians may also make available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements)
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- provide pricing and other market data
- facilitate payment of our fees from our clients' accounts
- assist with back-office functions, recordkeeping, and client reporting

Services that generally benefit only us: Custodians also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession

Aggregating (Block) Trading for Multiple Client Accounts

Aggregating orders, batch trading, or block trading is a process where trades for the same securities are purchased or sold for several clients at approximately the same time. We do not engage in block trading. It should be noted that implementing trades on a block or aggregate basis may be less expensive for client accounts; however, it is our trading policy to implement all client orders on an individual basis. Therefore, we do not aggregate or "block" client transactions. Considering the types of investments we hold in advisory client accounts, we do not believe clients are hindered in any way because we trade accounts individually. This is because we develop individualized investment strategies for clients and holdings will vary. Our strategies are primarily developed for the long-term and minor differences in price execution are not material to our overall investment strategy.

Item 13: Review of Accounts

Travis Hughes and Edwin Liang, Partners of DSF, will work with Clients to obtain current information regarding their assets and investment holdings and will review this information as part of our financial planning services. DSF does not provide specific reports to financial planning Clients, other than financial plans.

Client managed accounts will be reviewed regularly by DSF, and on at least an annual basis we will schedule a meeting with the client to review their accounts together and ensure their portfolio still aligns with their needs and objectives. The account is reviewed with regards to the Client's investment policies and risk tolerance levels. Events that may trigger a special review would be unusual performance, excessive draw-down, volatility in performance, or buy and sell decisions from the firm or per Client's needs.

Clients will receive trade confirmations from the Custodian for each transaction in their accounts as well as monthly or quarterly statements and annual tax reporting statements from their custodian showing all activity in the accounts, such as receipt of dividends and interest. Clients will have access to review their accounts online through the Custodian's website and mobile application.

DSF will not provide written reports to Investment Management Clients outside of the statement provided by the Custodian.

Item 14: Client Referrals and Other Compensation

Other than the benefits disclosed immediately below, and above in item 12, we do not receive any economic benefit, directly or indirectly, from any third party for advice rendered to our Clients. Nor do we, directly or indirectly, compensate any person who is not advisory personnel for Client referrals.

We receive an economic benefit from Custodians in the form of the support products and services they make available to us and other independent investment advisors whose clients maintain their accounts with Custodians. In addition, Custodians have also agreed to pay for certain products and services for which we would otherwise have to pay once the value of our clients' assets in accounts at Custodians reaches a certain size. You do not pay more for assets maintained at Custodians as a result of these arrangements. However, we benefit from the arrangement because the cost of these services would otherwise be borne directly by us. You should consider these conflicts of interest when selecting a custodian. The products and services provided by Custodians, how they benefit us, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices).

Item 15: Custody

DSF does not accept custody of Client funds except in the instance of withdrawing Client fees. For Client managed accounts in which DSF directly debits their advisory fee:

- DSF will send a copy of its invoice to the custodian at the same time that it sends the Client a copy.
- The custodian will send at least quarterly statements to the Client showing all disbursements for the account, including the amount of the advisory fee.
- The Client will provide written authorization to DSF, permitting them to be paid directly for their accounts held by the custodian.

Clients should receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains Client's investment assets. We urge you to carefully review such invoices and compare such official custodial records to the account invoice we provide to you and notify us promptly of any discrepancies. Our invoices may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16: Investment Discretion

For those Client accounts where we provide Investment Management Services, we require discretion over Client managed accounts with respect to securities to be bought and sold and the amount of securities to be bought and sold. Investment discretion is explained to Clients in detail when an advisory relationship has commenced. At the start of the advisory relationship, the Client will execute a Limited Power of Attorney, which will grant our firm discretion over the account. Additionally, the discretionary relationship will be outlined in the advisory contract and signed by the Client.

Item 17: Voting Client Securities

We do not vote Client proxies. Therefore, Clients maintain exclusive responsibility for: (1) voting proxies, and (2) acting on corporate actions pertaining to the Client's investment assets. The Client shall instruct the Client's qualified custodian to forward to the Client copies of all proxies and shareholder communications relating to the Client's investment assets. If the Client would like our opinion on a particular proxy vote, they may contact us at the number listed on the cover of this brochure.

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 you any electronic solicitation to vote proxies.

Item 18: Financial Information

Registered Investment Advisers are required in this Item to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to Clients, and we have not been the subject of a bankruptcy proceeding.

We do not have custody of Client funds or securities or require or solicit prepayment of more than $500 in fees per Client six months in advance.

Item 19: Requirements for State-Registered Advisers

Travis Hughes

Born: 1985

Educational Background

- 2020 – Certificate in Financial Planning, College for Financial Planning
- 2008 – Bachelor of Business Administration, Texas A&M University

Business Experience

- 03/2021 – Present, Downshift Financial, LLC, Partner and CCO
- 05/2019 – 12/2021, TVM Planning, LLC, Independent Paraplanner
- 08/2018 – 04/2019, Edward Jones, Financial Advisor
- 07/2016 – 08/2018, Property Frameworks, Regional Operating Manager
- 06/2012 – 07/2016, Oneprop, Branch Manager
- 11/2010 – 05/2012, Allied Texas Properties, LLC, Sole owner-operator

Professional Designations

CFP (Certified Financial Planner)®: The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with Clients. Currently, more than 71,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;

- Examination – Pass the comprehensive CFP® Certification Examination. The examination includes case studies and Client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real-world circumstances;

- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and

- Ethics – Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the S*tandards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and

- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*.
  The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their Clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

Enrolled Agent (EA): An enrolled agent is a person who has earned the privilege of representing taxpayers before the Internal Revenue Service by either passing a three-part comprehensive IRS test covering individual and business tax returns, or through experience as a former IRS employee. Enrolled agent status is the highest credential the IRS awards. Individuals who obtain this elite status must adhere to ethical standards and complete 72 hours of continuing education courses every three years.

Enrolled agents, like attorneys and certified public accountants (CPAs), have unlimited practice rights. This means they are unrestricted as to which taxpayers they can represent, what types of tax matters they can handle, and which IRS offices they can represent clients before. Learn more about enrolled agents in Treasury Department Circular 230.

The above description is provided by the IRS at https://www.irs.gov/Tax-Professionals/Enrolled-Agents/Enrolled-Agent-Information

Other Business Activities

Travis Hughes has no other business activities to report.

Performance-Based Fees

DSF is not compensated by performance-based fees.

Material Disciplinary Disclosures

No management person at Downshift Financial, LLC has ever been involved in an arbitration claim of any kind or been found liable in a civil, self-regulatory organization, criminal, or administrative proceeding.

Material Relationships That Management Persons Have With Issuers of Securities

Downshift Financial, LLC, nor Travis Hughes, have any relationship or arrangement with issuers of securities, in addition to what is described in Item 10.

Additional Compensation

Travis Hughes does not receive any economic benefit from any person, company, or organization, in exchange for providing Clients advisory services through DSF.

Requirements for State Registered Advisers

Travis Hughes has NOT been involved in an arbitration, civil proceeding, self-regulatory proceeding, administrative proceeding, or a bankruptcy petition.

Item 19: Requirements for State-Registered Advisers

Educational Background and Business Experience of Principal Officers

Refer to the Part(s) 2B for background information about our principal executive officers, management personnel and those giving advice on behalf of our firm.

Other Business Activities of Principal Officer

Our firm is not actively engaged in any business other than giving investment advice that is not already disclosed above.

Performance Fee Calculations

Neither our firm, nor any persons associated with our firm are compensated for advisory services with performance-based fees. Refer to the *Performance-Based Fees and Side-By-Side Management* section above for additional information on this topic.

Disciplinary Information

Neither our firm, nor any of our management persons have any reportable arbitration claims, civil, self-regulatory organization proceedings, or administrative proceedings.

Material Relationships with Issuers of Securities

Neither our firm, nor any of our management persons have a material relationship or arrangement with any issuer of securities.

Business Continuity Plan

DSF maintains a written Business Continuity Plan that identifies procedures related to an emergency or significant business disruptions, including the death of the investment adviser or any of its representatives.

Disclosure of Material Conflicts

All material conflicts of interest under CCR Section 260.238(k) are disclosed regarding DSF, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.

Downshift Financial, LLC

3795 Darley Ave
Boulder, CO 80305

(720) 515-0564

Dated March 27, 2024

For

Travis Hughes, CRD No. 6993426

Partner and Chief Compliance Officer

This brochure supplement provides information about Travis Hughes that supplements Downshift Financial, LLC ("DSF") brochure. A copy of that brochure precedes this supplement. Please contact Travis Hughes if the DSF brochure is not included with this supplement or if you have any questions about the contents of this supplement.

Additional information about Travis Hughes is available on the SEC's website at www.adviserinfo.sec.gov which can be found using the identification number 6993426.

Item 2: Educational Background and Business Experience

Travis Hughes

Born: 1985

Educational Background

- 2020 – Certificate in Financial Planning, College for Financial Planning
- 2008 – Bachelor of Business Administration, Texas A&M University

Business Experience

- 03/2021 – Present, Downshift Financial, LLC, Partner and CCO
- 05/2019 – 12/2021, TVM Planning, LLC, Independent Paraplanner
- 08/2018 – 04/2019, Edward Jones, Financial Advisor
- 07/2016 – 08/2018, Property Frameworks, Regional Operating Manager
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- 11/2010 – 05/2012, Allied Texas Properties, LLC, Sole owner-operator

Professional Designations, Licensing & Exams

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To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

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- Examination – Pass the comprehensive CFP® Certification Examination. The examination includes case studies and Client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real-world circumstances;

- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and

- Ethics – Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the S*tandards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*.
  The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their Clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

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The above description is provided by the IRS at https://www.irs.gov/Tax-Professionals/Enrolled-Agents/Enrolled-Agent-Information

Item 3: Disciplinary Information

Travis Hughes has never been involved in an arbitration claim of any kind or been found liable in a civil, self-regulatory organization, criminal, or administrative proceeding.

Item 4: Other Business Activities

Travis Hughes has no other business activities to report.

Item 5: Additional Compensation

Travis Hughes does not receive any economic benefit from any person, company, or organization, in exchange for providing Clients advisory services through DSF.

Item 6: Supervision

Travis Hughes, as Chief Compliance Officer (CCO) of DSF, is responsible for the supervision of all personnel of the firm. As CCO, Travis Hughes does not have a direct supervisor; however, Travis Hughes is bound by and will adhere to the firm's policies and procedures and Code of Ethics. Clients may contact Travis Hughes at the phone number on this brochure supplement.

Item 7: Requirements for State Registered Advisers

Travis Hughes has NOT been involved in an arbitration, civil proceeding, self-regulatory proceeding, administrative proceeding, or a bankruptcy petition.

Downshift Financial, LLC

3795 Darley Ave
Boulder, CO 80305
(720) 515-0564

Dated March 27, 2024

For

Edwin Liang, CRD No. 4737975

Partner

This brochure supplement provides information about Edwin Liang that supplements Downshift Financial, LLC ("DSF") brochure. A copy of that brochure precedes this supplement. Please contact Edwin Liang if the DSF brochure is not included with this supplement or if you have any questions about the contents of this supplement.

Additional information about Edwin Liang is available on the SEC's website at www.adviserinfo.sec.gov which can be found using the identification number 4737975.

Item 2: Educational Background and Business Experience

Edwin Liang

Born: 1981

Educational Background

- 2020 – Certificate in Financial Planning, College for Financial Planning
- 2003 – Bachelor of Arts in Economics, Pomona College

Business Experience

- 04/2021 – Present, Downshift Financial, LLC, Partner
- 05/2019 – 05/2021, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Private Wealth Manager
- 07/2018 – 05/2019, Extended travel
- 06/2017 – 07/2018, First Republic Bank, Sr Client Relationship Analyst
- 06/2003 – 06/2017, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Private Wealth Relationship Manager

Professional Designations, Licensing & Exams

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- Examination – Pass the comprehensive CFP® Certification Examination. The examination includes case studies and Client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real-world circumstances;

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- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*.
  The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their Clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

Item 3: Disciplinary Information

Edwin Liang has never been involved in an arbitration claim of any kind or been found liable in a civil, self-regulatory organization, criminal, or administrative proceeding.

Item 4: Other Business Activities

Edwin Liang is not involved in outside business activities.

Item 5: Additional Compensation

Edwin Liang does not receive any economic benefit from any person, company, or organization, in exchange for providing Clients advisory services through DSF.

Item 6: Supervision

Travis Hughes, as Chief Compliance Officer (CCO) of DSF, is responsible for the supervision of all personnel of the firm. Travis monitors Edwin's communications, is involved with most advice-related decisions, and will ensure that he adheres to the firm's policies and procedures and Code of Ethics. He may be contacted at the phone number on this brochure supplement.

Item 7: Requirements for State Registered Advisers

Edwin Liang has NOT been involved in an arbitration, civil proceeding, self-regulatory proceeding, administrative proceeding, or a bankruptcy petition.