

**SIGNALPOINT WRAP FEE  
DISCLOSURE BROCHURE  
August 1, 2013**

*This wrap fee program brochure provides information about the qualifications and business practices of SignalPoint Asset Management, LLC ("SignalPoint"). If you have any questions about the contents of this brochure, please contact us at (417) 869-9980. 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.*

*SignalPoint is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.*

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



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417-869-9980**

**Investment services are offered through SignalPoint Asset Management, LLC, a federally registered investment adviser under the Investment Advisers Act of 1940.**

## Material Changes

On July 28, 2010, the United States Securities and Exchange Commission published "Amendments to Form ADV" which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure is prepared according to the SEC's new requirements and rules.

This Brochure is updated as of August 1, 2013. No material changes have occurred to this document from the prior Brochure dated September 30, 2012. The Brochure was edited to disclose the potential incentive for limiting trades in "Wrap" accounts due to SignalPoint bearing the expense associated with executing transactions in these accounts. Additionally, amendments were made regarding our affiliations with other industry firms.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Michael Orzel, Chief Compliance Officer at (417) 869-9980 or at [morzel@signalpointinvest.com](mailto:morzel@signalpointinvest.com). Additional information about SignalPoint Asset Management, LLC is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with SignalPoint who are registered, or are required to be registered, as investment adviser representatives of SignalPoint.

## Table of Contents

Material Changes .....	2
Table of Contents .....	3
Services, Fees and Compensation .....	4
<i>ETF Strategy &amp; Discipline</i> .....	4
<i>Mutual Fund Strategy &amp; Discipline</i> .....	5
<i>Fee Information</i> .....	5
Account Requirements and Types of Clients .....	6
Portfolio Manager Selection and Evaluation .....	6
<i>Advisory Business</i> .....	7
<i>Performance-Based Fees and Side-By Side Management</i> .....	7
<i>Methods of Analysis, Investment Strategies and Risk of Loss</i> .....	7
<i>Voting Client Securities</i> .....	9
Client Information Provided to Portfolio Managers .....	9
Client Contact with Portfolio Managers .....	9
Additional Information .....	9
<i>Disciplinary Information</i> .....	9
<i>Other Financial Industry Activities and Affiliations</i> .....	9
<i>Code of Ethics</i> .....	10
<i>Review of Accounts</i> .....	11
<i>Client Referrals and Other Compensation</i> .....	11
<i>Financial Information</i> .....	12

## Services, Fees and Compensation

SignalPoint Asset Management LLC ("SignalPoint") is an investment adviser registered with the Securities and Exchange Commission (SEC) under the Investment Advisers Act of 1940. In connection with the SignalPoint Wrap Fee Product (the "Product"), SignalPoint offers clients the opportunity to pay a single asset-based fee for discretionary investment advice provided by SignalPoint and for brokerage execution, custodial and administrative services provided by a nationally recognized broker/dealer. Occasionally, SignalPoint may provide investment advice on a non-discretionary basis in connection with the Product.

Through the Product, SignalPoint offers its investment advisory services on a "wrap fee" basis. This means that the cost of SignalPoint's investment advisory services, the cost of executing brokerage transactions and custodial fees are "wrapped" into a single annual fee based on the value of the client's portfolio. Because SignalPoint bears the expenses associated with executing transactions in a "wrap" account, SignalPoint may have an incentive to limit trading activities on behalf of the Account. In order to participate, clients must establish a brokerage account with the Charles Schwab & Co. ("Schwab"), Fidelity Brokerage Services, LLC ("Fidelity"), or other qualified and FINRA registered and SIPC member. Although SignalPoint requires that clients establish an account at one of the above mentioned broker/dealers to participate, it is the client's decision to custody assets with such broker/dealer. SignalPoint is independently owned and operated and not affiliated with any broker/dealer. SignalPoint also offers non-wrap fee programs, which are disclosed in Form ADV Part 2A.

SignalPoint's Product includes the following:

- Ongoing consultation with an SignalPoint portfolio manager
- Identification and analysis of Client's investment objectives and policy
- Ongoing management of Client's portfolio by SignalPoint
- Advisory fees of SignalPoint
- Custodial fees charged by the custodian
- Automatic sweep of cash funds in Client's account into a money market fund
- Monthly or Quarterly activity statements
- Monthly or Quarterly performance evaluation
- Quarterly Market Overview/Newsletter
- Periodic review of Client's investment objectives and policy
- All brokerage commissions charged by the broker/dealer

Schwab and Fidelity currently provide SignalPoint access to their institutional trading and custody services, which are typically not available to retail investors. Schwab and Fidelity brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. These services generally are available to SignalPoint provided that it maintains at least \$10 million of its clients' assets in accounts at Schwab Institutional or Fidelity.

## ETF Strategy & Discipline

SignalPoint seeks to produce above-market performance while reducing normal market risk, providing clients with an "emotion free" investment model. SignalPoint seeks to achieve this goal by investing primarily in exchange traded funds ("ETFs"), rather than individual stocks. SignalPoint also may hold cash, money market instruments or high-quality, short-term debt instruments for liquidity purposes. SignalPoint also may hold derivatives (such as futures contracts) for defensive purposes. SignalPoint applies its strategy to different portfolios in order to meet a variety of investment objectives.

SignalPoint believes its ETF strategy provides a widely diversified, emotionless portfolio and a procedure for assessing and managing risk in each style. SignalPoint's strategy is founded on the principles of discipline,

structure, and transparency. SignalPoint's goal is to steadily and methodically capture profits when positions appreciate and to systematically add to positions during periods of weakness. SignalPoint generally does not emphasize investment in any particular investment sector or industry. However, due to their inherent characteristics, certain investments in particular sectors (i.e. technology or health care) or positions from time to time may represent a significant portion of its clients' portfolios.

### **Mutual Fund Strategy & Discipline**

SignalPoint seeks to produce above-market performance while reducing normal market risk by investing primarily in no load, non commissioned mutual funds and/or exchange traded funds (ETFs) ("funds"), rather than individual stocks. In some instances, the use of individual stocks and bonds can be used to reduce tax liabilities. SignalPoint also may hold cash, money market instruments or high-quality, short term debt instruments for liquidity purposes. SignalPoint applies its strategy to several different portfolio models in order to meet a variety of investment objectives.

SignalPoint believes its strategy provides a widely diversified portfolio and a procedure for assessing and managing risk in each model. SignalPoint's strategy is founded on the principles of the "efficient market theory." SignalPoint will invest in securities that it expects to capture risks that generate expected returns and to avoid risks that do not, such as holding too few securities, betting on countries or industries, following market predictions, and speculating on "information" from rating services. SignalPoint uses diversification as a means to reduce risk associated with individual securities and positions the models to capture the returns of broad economic forces. From time to time the SignalPoint will rebalance the models to recommended weightings in each asset class. Rebalancing is primarily driven by economic cycles and will generally not be on a set calendar basis.

### **Fee Information**

Unless agreed otherwise, fees are billed as a percent of assets under management and charged on a quarterly basis, in advance, based upon the value of the account on the last day of the quarter. If cash and/or securities are added or withdrawn from the Account between billing periods, a proportionate fee or refund will be calculated and will be made based upon the effective advisory fee rate at the time of the addition or withdrawal. Fees or refunds will be debited or credited if the net addition of value or net withdrawal of value would generate a fee or refund of at least \$40 for the quarter. Fees are as follows:

#### **FEE SCHEDULE**

<u>Account Value</u>	<u>Annual Fee</u>
Up to \$500,000	1.50%
\$500,000 to \$2,000,000	1.25%
\$2,000,000 to \$5,000,000	1.00%
\$5,000,000+	0.75%

Approximately 65% of the wrap fee charged to a client is for advisory services. Clients may incur additional expenses as described below.

A client should consider that a wrap fee may cost the client more or less than purchasing such services separately. Factors to consider include: (1) the amount of the wrap fee; (2) the level of trading activity in a Client's account; and (3) the value of custodial and other services provided in connection with the Product.

In addition to the advisory fees charged by SignalPoint, each exchange traded fund or mutual fund in which the Client's assets may be invested charges its own advisory fee and other expenses as described in the respective fund's prospectus. The wrap fee does not include exchange fees, SEC fees, transfer taxes, dealer mark-ups, spreads paid to market-makers, certain brokerage related fees such as wiring charges and overnight shipping charges, and other fees required by law. A full schedule of additional fees is available upon request.

Because of the single fee charged to a Program account, SignalPoint may be regarded as having a conflict of interest in that it may realize a greater profit on an account with a relatively low rate of portfolio turnover compared to other types of accounts, assuming the same level of fees. In that respect, an advisor may have a financial incentive to recommend the wrap fee program over other programs or services.

For SignalPoint client accounts maintained in its custody, Schwab and Fidelity generally do not charge separately for custody services, but are compensated by account holders through asset-based fees for securities trades that are executed through Schwab or Fidelity or that settle into Schwab or Fidelity accounts.

Because SignalPoint has authority to deduct the wrap fee directly from client accounts, SignalPoint is deemed to have constructive custody within the meaning of Rule 206(4)-2 under the Advisors Act, but is permitted to check "no" to Item 9 on Form ADV I. SignalPoint does not accept physical custody of client funds or securities. Physical custody of client funds and securities is maintained by a qualified custodian. Clients will retain ownership of all securities and cash in their accounts.

Terminations and Refunds. Clients may terminate an advisory agreement with SignalPoint upon thirty days written notice. SignalPoint will prorate the fees on a terminated account accordingly. Client will be responsible for any fees accrued, but not yet paid up to the date of termination. Requests for termination must generally be received in writing.

Upon written receipt of notice to liquidate the account and terminate the client agreement, SignalPoint and its agent will, in an orderly and efficient manner, proceed with liquidation of the client's account. There will not be a charge by us for such redemption; however, the client should be aware that certain mutual funds impose redemption fees as stated in each company's fund prospectus in certain circumstances. Clients must keep in mind that the decision to liquidate security issues or mutual funds may result in tax consequences that should be discussed with the client's tax advisor. Factors that may affect the orderly and efficient manner would be size and types of issues, liquidity of the markets, and market makers' abilities. Should the necessary securities' markets be unavailable and trading suspended, efforts to trade will be done as soon as possible following their reopening. Due to the administrative processing time needed to terminate client's investment advisory service and communicate the instructions to client's Investment Advisor, termination orders received from clients are not market orders; it may take several business days under normal market conditions to process the client's request. During this time, the client's account is subject to market risk. SignalPoint and its agent are not responsible for market fluctuations of the client's account from time of written notice until complete liquidation. All efforts will be made to process the termination in an efficient and timely manner.

## **Account Requirements and Types of Clients**

SignalPoint provides portfolio management services to individuals, high net worth individuals, banking or thrift institutions, corporate pension and profit-sharing plans, and charitable institutions. SignalPoint has established a minimum initial account value for new accounts of \$500,000. SignalPoint may, in its sole discretion, accept such lesser amounts as it deems appropriate.

## **Portfolio Manager Selection and Evaluation**

The advisory services are provided by portfolio managers who are licensed investment adviser representatives of SignalPoint. SignalPoint's advisory representatives are required to have passed the NASAA Series 65 or Series 66 examination or an equivalent professional designation. All persons who determine or approve investment advice given to clients hold a college degree or have appropriate experience in lieu thereof.

Portfolio Managers are selected by SignalPoint during interviews and reviews of internal documents regarding performance and compliance. SignalPoint will replace a portfolio manager for performance reasons or non-compliance with SignalPoint's written policies and procedures. SignalPoint uses industry standards to measure the performance of its portfolio managers; however, it does not use a third party auditor to review and verify the performance of portfolio managers.

## Advisory Business

SignalPoint provides advisory services, as described under **Services, Fees and Compensation**. SignalPoint provides continuous advice based on the client's individual needs. Through personal discussions in which goals and objectives based upon the client's personal objectives are established, the firm will develop a personal investment policy based upon an investment objective questionnaire and manage the portfolio according to the criteria. Each client has the ability to impose reasonable restrictions on the management of his/her account, including the designation of particular securities or types of securities that should not be purchased for the account, or that should be sold if held in the account. If a client's instructions are unreasonable or an Investment Advisor Representative believes that the instructions are inappropriate for the client, SignalPoint will notify the client that, unless the instructions are modified, it may cancel the instructions in the client's account. A client will not be able to provide instructions that prohibit or restrict the Investment Adviser of an open-end or closed-end mutual fund or ETF with respect to the purchase or sale of specific securities or types of securities within the fund.

In a wrap fee program, clients are charged an all-inclusive wrap fee on Program Assets that covers advisory, execution, custodial and reporting services on Eligible Assets. A portion of these fees will be paid to SignalPoint for advisory services. In a non-wrap fee program, SignalPoint's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client.

SignalPoint may act as investment adviser to clients with investment objectives substantially similar to, or different from those of other client. SignalPoint attempts to allocate investment opportunities fairly and equitably, but SignalPoint will not necessarily present all opportunities to wrap fee clients and SignalPoint may give advice to others that differs from advice given to wrap fee clients.

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

SignalPoint does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a Client).

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

SignalPoint uses primarily exchange traded funds (ETFs) and open-ended mutual funds in the management of assets on behalf of its Clients. Although SignalPoint seeks to reduce risk in its portfolios, investing in securities involves risk of loss of principal and Clients should be prepared to bear such loss if it does occur.

## ETF Strategy & Discipline

SignalPoint currently has twelve different managed portfolio strategies, each a "Model". The twelve Models are:

- |                                     |                                |
|-------------------------------------|--------------------------------|
| (1) Global Signal Portfolio;        | (7) Stable Income Portfolio;   |
| (2) Signal 10 Portfolio;            | (8) Moderate Income Portfolio; |
| (3) Domestic Signal Portfolio;      | (9) Currency Point Portfolio   |
| (4) International Signal Portfolio; | (10) High Income Portfolio;    |
| (5) Balanced Point Portfolio;       | (11) CU Income Portfolio;      |
| (6) Universal Signal Portfolio;     | (12) Global Equity Alpha.      |

SignalPoint seeks to produce above-market performance while reducing normal market risk, providing clients with an "emotion free" investment model. SignalPoint's strategy is designed to harvest the volatility intrinsic to each ETF sector index, position and the market at large. SignalPoint attempts to limit exposure in rising sectors and to increase exposure in declining sectors without disturbing other portfolio positions. SignalPoint will typically add or subtract dollars from each position in increments of 5 percent in any given month, which results in dollar cost averaging in the affected position. SignalPoint maintains cash reserves for liquidity, portfolio cushioning and as a resource to invest back into the market.

SignalPoint primarily uses a proprietary model or formula to determine the percentage of each portfolio holding. All portfolio holdings are coordinated with SignalPoint's proprietary model, allowing SignalPoint to manage diversified equity portfolios in a tax-efficient manner. SignalPoint's proprietary model maintains a risk value around a control level and apportions equity and cash allocations.

**Risk Value** – the total value of the equity at current market price.

**Control Level** – initially the starting cost of the equity holding plus a portion of subsequent additional purchases.

**Trade Resistance** – used to establish a hold zone beyond which adjustments are made to Risk Value. Trade Resistance is approximately +/- 10% of the Risk Value, but may be larger or narrower in certain sectors.

Should the risk value exceed the control level by more than the trade resistance, the amount at risk is reduced back to approximately the control level. SignalPoint generally stores cash generated by this adjustment in a highly liquid cash equivalent account (e.g., a money market account) within the portfolio. If the risk value should drop below the control level by more than the trade resistance, the model signals SignalPoint to add (buy) more investment value to restore it to approximately the control level. SignalPoint takes cash required for this additional purchase from the cash equivalent account. This presents a potential risk, as the price of a security can move up or down along with the overall market.

The range between when the model prompts SignalPoint to utilize cash (i.e. buy) and when it prompts SignalPoint to reduce the invested value (i.e. sell) to the cash equivalent account is approximately +20%. A new control level is derived from the original control level plus a factor related to the amount of buying done during a decline. This helps SignalPoint to achieve controlled risk with controlled growth within the portfolio.

In addition to the model, SignalPoint uses four individual measures of the equities market combined to provide a picture of the overall market risk (market risk assessment). SignalPoint uses its assessment of market risk to gauge ongoing cash reserve requirements and as a filter on any buy or sell decisions. If the accumulated money market reserve level for an individual sleeve is higher than the current recommended level, SignalPoint postpones further selling, until such time as either its measure of risk shows a sale is appropriate or a purchasing cycle has reduced the available reserve of money funds.

SignalPoint also uses its market risk assessment to guide re-balancing of the client account's Equity/Cash ratio after high market risk events. If the market risk moderates, SignalPoint will then shift the Equity/Cash ratio back to a level consistent with the new, lower risk level.

### **Mutual Fund Strategy & Discipline**

SignalPoint has constructed the models based upon historical asset allocation risk-return scenarios and utilizes the research of several third party research companies including but not limited to Dimensional Fund Advisors, Morningstar, Vanguard, Wall Street Journal, Charles Schwab Institutional Services and Fidelity Investments. This presents a potential risk, as the market can change directions at anytime and past performance is not a guarantee of future performance.

To the extent a model portfolio is allocated to equity, such models will have a bias towards funds that invest primarily in the securities of large capitalization value-oriented companies or small capitalization companies. SignalPoint may utilize a number of funds that apply core strategies that seek to buy the total US market in proportions that provide higher exposure to the risk premiums associated with size and value identified by Fama and French. The total US market is defined as the aggregate capitalization of the NYSE, AMEX, and NASDAQ Global Market System companies. SignalPoint will manage fixed income portions of the model with a bias towards short term maturities in the interest rate cycle of low interest rates and favor longer term maturities in cycles of higher interest rates.



**Risk of Loss:** Exchange traded funds (ETFs) and mutual funds are sold by prospectus. Please consider the investment objectives, risks, charges and expenses carefully before investing. The prospectus, which contains this and other information, can be obtained by calling your SignalPoint. Read it carefully before you invest.

Exchange traded funds are subject to risks similar to those of stocks. Investment returns may fluctuate and are subject to market volatility, so that an investor's shares, when redeemed or sold, may be worth more or less than their original cost.

## **Voting Client Securities**

As a matter of firm policy and practice, SignalPoint does not have any authority to and does not vote proxies on behalf of advisory Clients. The custodian of the account will normally provide proxy materials directly to the client. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. SignalPoint may provide advice to clients regarding the clients' voting of proxies; however, it is in the Client's sole discretion and at the Client's sole expense to decide how to vote such proxies.

Some of the holdings purchased in client accounts may become involved in class action lawsuits. Because we are not in a position to offer clients legal advice, we do not advise clients on whether or not they should participate. Upon request, we will assist client in completing the forms necessary to participate in the class action lawsuit.

SignalPoint serves as investment adviser to certain investment companies under the Mutual Fund Series Trust. These funds invest in other investment companies that are not affiliated ("Underlying Funds") and are required by the Investment Company Act of 1940, as amended (the "1940 Act") Act to handle proxies received from Underlying Funds in a certain manner. Notwithstanding the guidelines provided in these procedures, it is the policy of SignalPoint to vote all proxies received from the Underlying Funds in the same proportion that all shares of the Underlying Funds are voted, or in accordance with instructions received from fund shareholders, pursuant to Section 12(d)(1)(F) of the 1940 Act. After properly voted, the proxy materials are placed in a file maintained by the Chief Compliance Officer for future reference.

## **Client Information Provided to Portfolio Managers**

SignalPoint may forward new account documents to other portfolio managers in which you express an interest. Your information will be used as needed for settling of trades, transfer of fund or securities or other information necessary to satisfy your financial activity. Updated information will be sent to the portfolio managers. Client information, such as income and employment and Investment Guideline Statements are frequently reviewed.

## **Client Contact with Portfolio Managers**

Portfolio Managers are accessible to Clients at Client's request. Consultations beyond normal business practices may require additional negotiated fees.

## **Additional Information**

### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of SignalPoint or the integrity of SignalPoint's management. SignalPoint has no information responsive to this Item.

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

SignalPoint has agreements with the following firms that have engaged us to manage assets for select clients. We will invest these assets in accounts that are segregated at the designated custodians within the investment guidelines provided by these firms. The firms listed below are responsible for ongoing suitability and the appropriateness for the continuation of management by SignalPoint.

- **VSR Financial Services**, an unaffiliated investment advisor. VSR and SignalPoint may charge separate fees for their respective services. These fees may be collected from the clients' accounts separately by both SignalPoint and VSR.
- **Pershing LLC**, an unaffiliated investment advisor. Pershing, LLC and SignalPoint may charge separate fees for their respective services. These fees may be collected from the clients' accounts separately by both SignalPoint and Pershing, LLC.
- **Morgan Keegan & Company, Inc.**, an independent advisor. Morgan Keegan and SignalPoint charge separate fees for their respective services. These fees may be collected from the clients' accounts separately by both SignalPoint and Morgan Keegan.
- **Benjamin F. Edwards & Company, Inc.**, an independent advisor. Benjamin F. Edwards & Company and SignalPoint charge separate fees for their respective services. These fees may be collected from the clients' accounts separately by both SignalPoint and Benjamin F. Edwards & Company.

SignalPoint also has solicitor arrangements with individuals and other firms that refer clients to SignalPoint where a registered representative acting as a solicitor may receive compensation on an ongoing basis. For further information on Solicitor fees, see the section entitled, "Client Referrals and Other Compensation".

SignalPoint is affiliated with SignalPoint Capital Management which acts as an advisor to The SignalPoint Global Alpha Fund (the "Fund"). The Fund is a separate series of the Mutual Fund Series Trust ("Trust"), an open-end management company organized as an Ohio business trust and registered under the Investment Company Act of 1940. This fund is available for purchase by SignalPoint Asset Management clients. This may cause a conflict of interest because the SignalPoint advisor may also be registered with SignalPoint Capital Management and may earn a fee for both the client's assets under management and from the Fund itself for management of Fund assets. Clients are also free to purchase this mutual fund through another investment advisor or directly with the fund company.

### Code of Ethics

SignalPoint has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct and fiduciary duty to its Clients. The Code of Ethics includes provisions relating to the confidentiality of client information, prohibition on insider trading, prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at SignalPoint must acknowledge the terms of the Code of Ethics annually, or as amended.

SignalPoint is affiliated with SignalPoint Capital Management which acts as an investment adviser to an investment company that we may recommend to clients. However, SignalPoint is constrained by fiduciary principles to act in its clients' best interests and will recommend the Fund to clients only when it is appropriate to do so.

SignalPoint effects transactions both on national securities exchanges and in over the counter, or OTC, transactions on an agency basis consistent with OTC requirements and SignalPoint's duty of best execution. OTC transactions may be placed directly with market makers who act as principals for their own account and include mark-ups in price charged for the securities or with broker-dealers who act as agents and charge brokerage commissions for effecting the transactions.

From time to time, SignalPoint's employees may purchase securities for their own personal accounts, which are also purchased on behalf of Clients. In such cases, SignalPoint's employees will not affect transactions for their personal accounts which will be contrary to recommendations being made to Clients. SignalPoint and its employees will not compete with Clients in connection with such transactions. Generally, SignalPoint employee accounts may be invested in similar SignalPoint investment strategies as a Client. In these instances, block trading is used and orders are allocated on a pro-rata basis so as to treat all clients similarly. SignalPoint has adopted a

Code of Ethics pursuant to Rule 204A-1 under the Advisers Act which is based on the principle that SignalPoint and its employee advisors have a fiduciary duty to its Clients. In complying with this duty, SignalPoint advisory personnel must avoid activities or interests that might interfere with making decisions in the best interests of clients. Under the Code of Ethics, SignalPoint's Advisory personnel are required to submit regular reports of their personal securities transactions to the Chief Compliance Officer for review. In addition, each person subject to the Code of Ethics is required to report all violations of which such person becomes aware to the Chief Compliance Officer. SignalPoint will provide a copy of its Code of Ethics, free of charge, upon the request of any Client.

SignalPoint receives periodic non-investment related business consulting from the principals of Walnut Capital Management, LLC. Principals of Walnut Capital Management may also be registered representatives of an unaffiliated broker dealer utilizing SignalPoint as a separate account manager.

### **Review of Accounts**

All client accounts are typically reconciled with their respective custodian valuations on a daily basis. If there are discrepancies noted, they will be discussed with the custodian. Except as noted, portfolios are also reviewed at least annually by Chief Compliance Officer Michael Orzel to ensure all portfolios are being managed in compliance with (a) Client's stated goals and objectives and (b) SignalPoint's investment philosophy and strategy.

In addition to such annual reviews, Clients will receive regular reports from SignalPoint regarding their account. The nature and frequency of reports to Clients are determined primarily by the particular needs of each Client. Generally, Clients receive monthly reports of all transactions for that period and current portfolio holdings from their qualified custodian. In addition, Clients receive quarterly performance reports from SignalPoint noting account performance, portfolio holdings, and commentary on current market environment. SignalPoint may conduct a special review of any Client account upon request or in unusual market circumstances. Finally, through telephone calls and in-person meetings, SignalPoint portfolio managers will keep Clients informed of the investment policy and strategy being used to seek to achieve Clients' investment objectives.

SignalPoint will generally contact each Client at least annually to determine whether there have been any changes in the Client's financial situation or investment objectives, or whether the Client wishes to impose reasonable restrictions on the management of the account or modify an existing restriction. Clients will be notified quarterly in writing requesting SignalPoint be contacted if there have been any changes in the Client's financial situation, goals or objectives.

SignalPoint's portfolio management personnel, who are knowledgeable about the management of the Client's portfolio, will be available on a reasonable basis to meet with the Client at the Client's request.

### **Client Referrals and Other Compensation**

SignalPoint, from time to time, enters into written agreements with certain individuals and entities who will act as solicitors of client accounts for SignalPoint in accordance with the requirements of Rule 206(4)-3 of the Advisers Act. The individual or entity who solicits the client account will receive a portion of the total fee paid to SignalPoint for managing the account. Unless the solicitor is an officer, director or employee of SignalPoint, he or she will provide each Client with certain disclosure documents including a "Solicitor's Disclosure Statement" which, among other things, sets forth the amount of the fee paid by SignalPoint in connection with the client referral.

The referral agreements between SignalPoint and its solicitors are designed to comply with Rule 206(4)-3 of the Investment Advisers Act of 1940. Rule 206(4)-3 specifies certain standards that must be met by an investment adviser and any person who solicits any client for, or refers any client to, such adviser prior to the payment of a cash fee directly or indirectly, for client solicitation or referral. Currently SignalPoint has solicitor relationships with VSR Financial Services, First Independent Advisory Services, Kalos Management, World Class Financial, John Swenson, Patrick Costello and Gary Whitaker.

Broker-dealers may provide SignalPoint with certain research and statistical services of the kind contemplated by Section 28(e) of the Securities Exchange Act of 1934 (the "1934 Act"), services which would otherwise be available to SignalPoint for a cash payment. To the extent that research services of value are provided by such broker-dealers, SignalPoint may be relieved of expenses that it might otherwise bear.

### **Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Adviser's financial condition. SignalPoint has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.