

## **Item 1: Cover Page**

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### **HighPoint Planning Partners Wrap Program**

### **Form ADV Part 2A Appendix 1**

### **Investment Adviser Brochure Supplement**

**February 2014**

This wrap fee brochure provides information about the qualifications and business practices of HighPoint Planning Partners, LLC. If you have any questions about the contents of this brochure, please contact Bradley A. Schaffnit, Principal and Chief Compliance Officer. 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. Registration as an investment advisor does not imply any level of skill or training.

Additional information about HighPoint is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You may search this site using a unique identifying number, known as a CRD number, High Point Planning Partners, LLC's CRD Number is 163768.

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## Item 2: Material Changes

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In this Item, HighPoint Planning Partners, LLC (HighPoint or the Firm) is required to discuss any material changes which have been made to the HighPoint Planning Partners Form ADV Part 2A Appendix 1, Wrap Program Brochure (brochure) since the last annual amendment.

Since the last ADV Annual Amendment filing, the following material changes have occurred:

- High Point has a related person who is registered as a commodities trading advisor (Charles Brown III). Mr. Brown operates these accounts separately from his advisory business with HighPoint.
- Item 9, Additional Information, has been amended to indicate that the Firm may enter referral arrangements.

In the future, this Item will discuss only specific material changes that are made to HighPoint Wrap Program Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our Wrap Program Brochure.

## Item 3: Table of Contents

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## Item 4: Services, Fees, and Compensation

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### Description of Services

The HighPoint Planning Partners Wrap Program (the Program) is an investment advisory program sponsored by HighPoint Planning Partners, LLC (HighPoint). The Program provides clients with the ability to trade in certain investment products without incurring separate brokerage commissions or transaction charges.

To join the program a person must:

- 1) Complete an investor profile that describes the client's financial needs, investment objectives, time horizon, and risk tolerance, as well as any other factors relevant to the client's specific financial situation (the Investor Profile) and any other supporting documentation required for the Program;
- 2) Complete the investment advisory wrap fee agreement (the Program Agreement) with HighPoint and become a client of the Program;
- 3) Complete a new account agreement with LPL Financial (LPL) or another broker dealer approved by HighPoint for participation in the Program (Broker-Dealer); and
- 4) Open a securities brokerage account with LPL or the Broker-Dealer (an Account) and deposit those client assets designated for participation in the Program (Program Assets) into the Account.

After an analysis of any information provided by the client to HighPoint, HighPoint shall assist the client in developing an appropriate investment strategy for the Program Assets in their Account(s) (the Investment Strategy). Thereafter, all clients are encouraged to discuss their needs, goals, and objectives with HighPoint and to keep the HighPoint informed of any changes thereto. HighPoint shall contact clients at least annually to review its previous services and/or recommendations and to determine whether changes should be made to their Investment Strategy.

### Management of Your Portfolio

All clients in the Program shall grant HighPoint discretionary authority to buy, sell, and otherwise trade in the type of securities described in Item 6 (below) for their Account(s) and to liquidate previously- purchased securities that the client has transferred to their Account(s). Program Assets in the client's Account(s) shall be managed by one of HighPoint's investment adviser representatives.

The Program may recommend that clients authorize the active discretionary management of certain Program Assets by and/or among one or more independent investment managers (Independent Managers) to implement a particular Investment Strategy. The terms and conditions under which the client shall engage the Independent Manager(s) may be set forth in separate written agreements between (1) the client and HighPoint and (2) HighPoint or client and the designated Independent Manager(s). HighPoint shall continue to render advisory services to the client relative to the ongoing monitoring and review of account performance, for which HighPoint shall receive an annual advisory fee which is based upon a percentage of the market value of the Program Assets being managed by the designated Independent Manager(s). Factors that the Registrant shall consider in recommending Independent Manager(s) include the client's stated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. In addition to HighPoint's written

disclosure statement, the client shall also receive the written disclosure statement of the designated Independent Manager(s).

Neither HighPoint nor the client may assign the Program Agreement without the consent of the other party. Transactions that do not result in a change of actual control or management of HighPoint shall not be considered an assignment.

### **Fees for Participation in the Program**

Clients in the Program pay a single annualized fee for participation in the Program (the Program Fee). HighPoint shall charge an annual fee based upon a percentage of the market value of the assets being managed by HighPoint. HighPoint's annual fee shall be prorated and charged quarterly, in advance, based upon the market value of the assets being managed by HighPoint on the last day of the previous quarter. The annual fee shall vary (between 0.50% and 2.20%) depending upon the market value of the assets under management.

HighPoint, in its sole discretion, may negotiate to charge a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, pro bono activities, etc.).

Under the Program, clients receive both investment advisory services and the execution of transactions in securities for a single, combined annualized fee, the Program Fee. Participation in the Program may cost the client more or less than purchasing such services separately. The number of transactions made in the client's Account(s), as well as the commissions charged for each transaction, will determine the relative cost of the Program versus paying for execution on a per transaction basis and paying a separate fee for advisory services. The Program Fee may be higher or lower than fees charged by other sponsors of comparable investment advisory programs.

Clients may incur certain charges imposed by third parties in addition to the Program Fee such as fees charged by Independent Managers, charges imposed directly by a mutual fund or exchange traded fund in the account, which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

### **Fees for Management During Partial Quarters of Service**

For the initial period of participation in the Program, the Program Fee shall be calculated on a pro rata basis. The Program Agreement between HighPoint and the client will continue in effect until terminated by either party pursuant to the terms of the Program Agreement. The Program Fee shall be prorated through the date of termination and any remaining balance shall be refunded to the client in a timely manner.

Additions may be in cash or securities provided that HighPoint reserves the right to liquidate any transferred securities, or decline to accept particular securities into a client's account. HighPoint may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

If assets are deposited into or withdrawn from an account after the inception of a quarter, the Program Fee with respect to such assets will be prorated based on the number of days remaining in the quarter.

## **Item 5: Account Requirements and Types of Clients**

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The types of clients in the Program include individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

### **Minimums Imposed By Independent Managers**

HighPoint requires a minimum account of \$250,000 for investment advisory clients, although this may be negotiable under certain circumstances. HighPoint may group certain related client accounts for the purposes of achieving the minimum account size.

Certain Independent Manager(s) may impose more restrictive account requirements and varying billing practices than HighPoint. In such instances, HighPoint may alter its corresponding account requirements and/or billing practices to accommodate those of the Independent Manager(s) or wrap program sponsor.

## **Item 6: Portfolio Manager Selection and Evaluation**

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HighPoint acts as the sponsor and portfolio manager to the Program. Certain wrap programs involve the services of multiple parties in these capacities, which may involve additional conflicts of interest that the sponsor would be required to disclose in this section. HighPoint has no disclosures to make under this section related to the selection of portfolio managers.

### **Types of Services Provided By the Firm**

In addition to the services provided to the Program, HighPoint is an investment adviser providing financial planning, and asset management service. Prior to engaging HighPoint to provide any of the foregoing investment advisory services, the client will be required to enter into one or more written agreements with HighPoint setting forth the terms and conditions under which HighPoint shall render its services.

Asset management services provided outside of the Program will differ only in that clients will pay separate transaction fees which will be charged by the Broker-Dealer directly to the client's account. HighPoint does not expect the non-wrap management services to materially differ from the services in the Program.

It is HighPoint's practice to tailor its advisory services to the individual needs of clients. HighPoint will ensure that each client's investments are suitable for that client and consistent with their investment needs, goals, objectives and risk tolerance as well as any restrictions requested by the client.

Clients shall have the ability to impose reasonable restrictions on the management of their account, including the ability to instruct HighPoint not to purchase certain securities or types of securities.

## **Asset Management Services**

HighPoint provides continuous investment advice and asset management services based on the individual needs of the clients. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, HighPoint develops a client's personal investment policy and creates and manages a portfolio based on that policy. HighPoint will ensure that each client's investments are suitable for that client and consistent with their investment needs, goals, objectives and risk tolerance. Account supervision is guided by the stated objectives of the client (i.e., capital preservation, income with moderate growth, growth and income, growth, and aggressive growth, etc.). It is HighPoint's practice to tailor its advisory services to the individual needs of clients.

Clients will have the opportunity to place reasonable restrictions on the types of investments which will be made on the client's behalf. Restrictions may be limited to asset management services and may not apply to assets managed in wrap programs. Clients will retain individual ownership of all securities.

HighPoint will allocate its client's investment management assets, on a discretionary or a non-discretionary basis among Independent Managers, mutual funds, exchange traded funds, individual debt and equity securities, real estate investment trusts (REITs) and other investments in accordance with the investment objectives of the client. Some or all of these investments may have limited or no liquidity for a period of time. Some may also have additional minimum net worth and/or net income requirements for investments. HighPoint may also provide advice about any type of investment held in a client's portfolio.

HighPoint's clients are advised to promptly notify HighPoint if there are ever any changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon HighPoint's management services.

## **Use of Independent Managers**

As mentioned above, HighPoint may recommend that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain independent investment manager(s) (Independent Manager(s)), based upon the stated investment objectives of the client. The terms and conditions under which the client shall engage the Independent Manager(s) shall be set forth in separate written agreements between (1) the client and HighPoint and (2) HighPoint or client and the designated Independent Manager(s). HighPoint shall continue to render services to the client relative to the discretionary selection of Independent Manager(s) as well as the monitoring and review of account performance and client investment objectives, for which HighPoint shall receive an annual advisory fee which is based upon a percentage of the market value of the assets being managed by the designated Independent Manager(s).

When selecting an Independent Manager for a client, HighPoint shall review information about the Independent Manager(s) such as its disclosure statement and/or material supplied by the Independent Manager(s) or independent third parties for a description of the Independent Manager's investment strategies, past performance and risk results to the extent available.

Factors that HighPoint shall consider in selecting Independent Manager(s) include the client's stated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fees charged by the designated Independent Manager(s), together with the fees charged by the wrap fee program sponsor and

corresponding designated broker-dealer/custodian of the client's assets, may be exclusive of, and in addition to, HighPoint's investment advisory fee set forth above. As discussed above, the client may incur additional fees than those charged by HighPoint, the designated Independent Manager(s), wrap fee program sponsor (if applicable), and corresponding broker-dealer and custodian.

In addition to HighPoint's written disclosure statement (ADV 2), the client shall also receive the written disclosure statement of the designated Independent Manager(s) and wrap fee program sponsor (if applicable). Certain Independent Manager(s) may impose more restrictive account requirements and varying billing practices than HighPoint. In such instances, HighPoint may alter its corresponding account requirements and/or billing practices to accommodate those of the Independent Manager(s) or wrap fee program sponsor.

If HighPoint refers a client to certain Independent Manager(s) where HighPoint's compensation is included in the advisory fee charged by such Independent Manager(s) and the client engages those Independent Manager(s), HighPoint shall be compensated for its services by receipt of a fee to be paid directly by the Independent Manager(s) to HighPoint in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, as amended, and any corresponding state securities laws, rules, regulations, or requirements. Any such fee shall be paid solely from the Independent Manager(s) investment management fee or the program fee of the wrap fee program (as appropriate), and shall not result in any additional charge to the client.

## **Financial Planning**

HighPoint offers financial planning services, which may include a review of all aspects of a client's current financial situation, including the following components: cash management, risk management, insurance, education funding, goal setting, retirement planning, estate and charitable gift planning, tax planning, and capital needs planning. Clients understand that when HighPoint is engaged to address only certain components, the client's overall financial and investment issues may not be taken into consideration.

HighPoint meets with the client to review risk tolerance, financial goals and objectives, and time horizons. Additional meetings may include a review of additional financial information; such as sources of income, assets, insurance, liabilities, wills, trusts, business agreements, tax returns, investments, and personal and family obligations.

The financial plan may include both long and short-term considerations, depending upon the client's financial situation. Upon completion, a plan is presented to the client. At this meeting, the client is provided with recommendations compatible with the client's stated goals and objectives. An implementation schedule is reviewed with the client to determine what steps will be pursued, and with whom the steps may be accomplished. The client is under no obligation to utilize additional services of HighPoint and its representatives and is under no obligation to implement the advice or plan. Clients may choose all, none or certain specific components of advice and recommendations and may implement the recommendations through the service providers of their choice.

## **Advisory Services to Retirement Plans and Plan Participants**

HighPoint offers various levels of advisory and consulting services to employee benefit plans and to the participants of such plans (Participants). The services are designed to assist plan sponsors (Plan Sponsors) in meeting their management and fiduciary obligations to Participants. HighPoint will provide services to Plan Sponsors and their Participants as



described below. Plan Sponsors must make the ultimate decision to retain HighPoint for pension consulting and other advisory services including, but not limited to, services at the participant level. The Plan Sponsor is free to seek independent advice about the appropriateness of any recommended services for the plan.

HighPoint develops an Investment Policy Statement for each plan, which may include some or all of the following areas: overview, investor circumstances, tax policy, reviews, diversification and investment constraints, selection/retention criteria for investments, investment monitoring and control procedures and duties and responsibilities.

Services include: Management of vendor relationships; Request for Proposals (RFPs); Assistance on Plan Design Strategies; Fiduciary Consulting and Oversight; Investment Management; and Participant Education and Communication Services.

Advisory services provided to retirement plans may be solely provided by Investment Adviser Representatives (IARs), or in combination with third parties.

### **Sponsor and Manager of Wrap Program**

HighPoint is the sponsor and manager of the HighPoint Planning Partners Wrap Program (the Program), a wrap fee program. In the event the client participates in the Program, HighPoint shall provide its investment management services and arrange for brokerage transactions under a single annual advisory fee for both advisory services and execution of transactions. Clients in the Program do not pay brokerage commissions, markups or transaction charges for execution of transactions in addition to the advisory fee. The advisory fee is negotiable between the client and HighPoint and is set out in the advisory agreement. The advisory fee is a percentage based on the value of all assets in the account, including cash holdings. The advisory fee may be higher than the fee charged by other investment advisors for similar services. The advisory fee is paid to HighPoint and is shared between HighPoint and its associated persons (Investment Advisor Representatives).

Clients should be aware that HighPoint recommending the Program to the client receives compensation as a result of the client's participation in the Program. This compensation includes the advisory fee and also may include other compensation, such as bonuses, awards or other things of value offered by LPL to HighPoint or its associated persons. The amount of this compensation may be more or less than what HighPoint would receive if the client participated in other LPL programs, programs of other investment advisors or paid separately for investment advice, brokerage and other client services. Therefore, HighPoint may have a financial incentive to recommend a program account over other programs and services.

The investment products available to be purchased in the program can be purchased by clients outside of a program account, through broker-dealers or other investment firms not affiliated with HighPoint.

A complete description of the Program's terms and conditions (including fees) are contained in the Program's wrap fee brochure (See Form ADV Part 2A Appendix 1). There are no material differences between the HighPoint manages wrap accounts and other accounts. The wrap relationship exists primarily because of the preference of some clients to not be subject to separate transaction charges.

## Performance Based Fees

Neither HighPoint nor any of its Supervised Persons (employees) accepts performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

HighPoint does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

## Methods of Analysis and Investment Strategies

HighPoint often utilizes fundamental analysis which attempts to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the securities.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time.

HighPoint may recommend the use of Independent Manager(s) for certain clients. HighPoint will continue to do ongoing due diligence of such managers, but the such recommendations relies, to a great extent, on the Independent Manager(s) ability to successfully implement their investment strategy.

**Note: All investments involve the risk of loss, including (among other things) loss of principal, a reduction in earnings (including interest, dividends and other distributions), and the loss of future earnings. Although we manage the assets in a manner consistent with risk tolerances, there can be no guarantee that our efforts will be successful. The investor should be prepared to bear the risk of loss.**

HighPoint's investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar next year will not buy as much as a dollar today, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

### **Proxy Voting**

HighPoint does not have any authority to and does not vote proxies on behalf of clients. Clients retain the responsibility for receiving and voting proxies for securities maintained in their portfolios; clients receive these proxies directly from either LPL Financial or transfer agents.

If requested, HighPoint may provide advice to clients regarding proxy votes. If any conflict of interest exists, it will be disclosed to the client. Clients may contact Bradley A. Schaffnit at 630.719.9222 for information about proxy voting.

## **Item 7: Client Information Provided to Portfolio Managers**

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HighPoint acts as the sponsor and portfolio manager to the Program. Certain wrap programs involve the services of multiple parties in these capacities. In those circumstances, the sponsor is required to disclose how and what type of information about client that it provides to portfolio managers. HighPoint has no disclosures to make under this section.

## **Item 8: Client Contact with Portfolio Managers**

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There are no restrictions on a client's ability to contact and consult with HighPoint.

Clients may contact Independent Managers through HighPoint by providing HighPoint with a written request and identification of the questions or issues to be discussed with the Independent Manager(s). After receiving the client's written request HighPoint shall, at its sole discretion, contact the Independent Manager(s) for the client or arrange for the Independent Manager(s) and the client to communicate directly.

## Item 9: Additional Information

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### 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 HighPoint or the integrity of HighPoint management. HighPoint has no information to disclose applicable to this Item.

### Other Financial Industry Activities and Affiliations

HighPoint is not registered and does not have an application pending as a securities broker-dealer, futures commission merchant, commodity pool operator or commodity trading advisor.

HighPoint's Investment Adviser Representatives (IARs) may be Registered Representative(s) of LPL Financial, member FINRA/SIPC. High Point is solely responsible for investment advice rendered. In addition to its investment advisory activities, HighPoint offers retail brokerage services through its Registered Representatives who are affiliated with LPL Financial. Products may include stocks, bonds, mutual funds, ETFs, 529 plans, retirement plans, and other investments. HighPoint generally conducts its investment advisory activities separate and apart from the advisory activities of LPL Financial. HighPoint, as a branch of LPL Financial, is required to keep and maintain certain records and perform other compliance functions in relation to the advisory activities of HighPoint.

Investment Advisor Representatives of HighPoint may be appointed with several insurance companies and may be able to receive separate compensation for transactions implemented through various insurance companies. Clients are not obligated to use any company for insurance product purchases, and may work with any insurance agent they choose. Insurance compensation will be separate and distinct from financial planning and asset management fees charged by HighPoint.

Charles Brown III manages accounts trading in commodities and currencies that are run through his own RIA, CB3 Financial Group, Inc. With fewer than 15 such accounts, he is operating within the requirements of the NFA and CFTC without the need to establish his own CTA at this time. He markets these investment services to individuals and businesses seeking high risk/high reward investments opportunities. Mr. Brown operates these accounts separately from his advisory business with HighPoint Planning Partners.

As discussed above, HighPoint recommends that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain Independent Manager(s). In certain circumstances HighPoint's compensation is included in the advisory fee charged by such Independent Manager(s). There may be a conflict of interest to choose such Independent Manager(s).

### Code of Ethics

HighPoint employees must comply with a Code of Ethics and Statement for Insider Trading. The Code describes HighPoint's high standard of business conduct, and fiduciary duty to its clients. The Code's key provisions include:

- Statement of General Principles
- Policy on and reporting of Personal Securities Transactions
- A prohibition on Insider Trading

- Restrictions on the acceptance of significant gifts
- Procedures to detect and deter misconduct and violations
- Requirement to maintain confidentiality of client information

The Chief Compliance Officer reviews all employee trades each quarter. These reviews ensure that personal trading does not affect the markets, and that clients of HighPoint receive preferential treatment.

HighPoint employees must acknowledge the terms of the Code of Ethics at least annually. Any individual not in compliance with the Code of Ethics may be subject to termination.

Clients and prospective clients can obtain copies of HighPoint's Code of Ethics by contacting Bradley A. Schaffnit at 630.719.9222.

HighPoint and its employees may buy or sell securities identical to those recommended to clients for their personal accounts. The Code of Ethics, described above, is designed to assure that the personal securities transactions, activities and interests of the employees of HighPoint will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities, primarily mutual funds, have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of HighPoint clients. In addition, the Code requires pre-clearance of certain transactions. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and designed to reasonably prevent conflicts of interest between HighPoint and its clients.

HighPoint and its employees do not recommend to clients, or buy or sell for client accounts, securities in which they have a material financial interest.

HighPoint will not affect any principal or agency cross securities transactions for client accounts. HighPoint will also not cross trades between client accounts.

HighPoint and its employees may buy or sell securities that are also held by clients. Employees must comply with the provisions of HighPoint's Code of Ethics.

### **Participation or Interest in Client Transactions – Aggregation**

HighPoint and its employees may trade in the same securities with client accounts on an aggregated basis when consistent with HighPoint obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. HighPoint will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order.

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

HighPoint may enter into written arrangements to pay cash referral fees to individuals or companies (solicitors) who refer prospective clients to the Firm. In these cases, there will be a written agreement between HighPoint and the solicitors, which clearly defines the duties and responsibilities of the solicitor under this arrangement. In addition, each solicitor is required to

provide a written disclosure document, which explains to the prospective client the terms under which the solicitor is working with HighPoint and the fact that the solicitor is being compensated for the referral activities. The solicitor is also required to furnish a copy of HighPoint's written disclosure document to the prospective client and obtain a written acknowledgement from the client that both the solicitor's and HighPoint's disclosure documents have been received.

### **Financial Information**

HighPoint 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.

HighPoint does not require prepayment of fees of both more than \$1,200 per client, **and** more than six months in advance; and therefore is not required to provide a balance sheet to clients.