

**SIGNALPOINT WRAP FEE  
DISCLOSURE BROCHURE**  
March 1, 2017

*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 (the “SEC”) or by any state securities authority.*

*SignalPoint is a registered investment adviser. Registration as 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).*



**SignalPoint Asset Management, LLC**  
1201 E. Walnut Street  
Springfield, Missouri 65802  
[www.signalpointinvest.com](http://www.signalpointinvest.com)  
417-869-9980

## **Item 2 Material Changes**

### **Annual Update**

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

### **Material Changes since the Last Update**

This Brochure contains certain material changes since its last annual update dated March 1, 2016, as summarized below:

SignalPoint has begun utilizing ETF's from the Schwab OneSource® program within its SignalPoint model portfolios and custom portfolios. Schwab will not charge SignalPoint a transaction fee for buying or selling these ETF products. Also, SignalPoint has introduced a new portfolio management program sponsored by Schwab, Intelligent Investing Portfolios®. This program is discussed in a separate disclosure brochure.

### **Full Brochure Available**

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (417) 869-9980 or by email at: [WCostenbader@Signalpointinvest.com](mailto:WCostenbader@Signalpointinvest.com).

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## Item 4 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 (the "Advisers Act"). SignalPoint offers the SignalPoint Wrap Fee Program (the "Program"), which allows clients 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. SignalPoint may, in its discretion, provide investment advice on a non-discretionary basis in connection with the Program.

Through the Program, 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 the number of trades executed by an account. In order to participate in the Program, clients must establish a brokerage account with Charles Schwab & Co. ("Schwab") or other qualified and FINRA registered SIPC member that has been approved by SignalPoint for the Program. Although SignalPoint requires that clients establish an account at one of the above mentioned broker/dealers to participate in the Program, it is the client's decision to custody assets with such broker/dealer. SignalPoint is not affiliated with any broker/dealer.

SignalPoint's Program includes the following:

- Ongoing consultation with a 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
- 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 currently provides SignalPoint access to their institutional trading and custody services, which are typically not available to retail investors. Schwab 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.

**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 a client's 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. Client fees are negotiable based on the SignalPoint representative providing the services, the complexity of the client's situation, the composition of the client's account, the relationship of the client with the SignalPoint representative, and the total amount of assets under management for the client. SignalPoint's fee schedule for the Program is as follows:

Up to 1.50% on the first \$500,000 of assets under management  
Up to 1.25 % on assets between \$500,000.01 - \$2,000,000

Up to 1.00 % on assets between \$2,000,000.01 - \$5,000,000

Up to 0.75% on assets over \$5,000,000

Investors should be aware that participating in the Program may cost them more or less than the cost of purchasing advisory, brokerage, and custodial services separately. Factors to consider include: (1) the amount of the wrap fee; (2) the level of trading activity in the client's account; and (3) the cost of custodial, brokerage, and advisory services provided in connection with the Program if purchased separately.

**Additional Fees and Expenses.** All fees paid to SignalPoint for the Program are separate and distinct from the fees and expenses charged by ETFs, mutual funds, closed-end funds or other managed investments to their shareholders. Fees charged by funds generally include a management fee, other fund expenses (which include brokerage fees, administrative expenses, and legal fees), and, for mutual funds, a possible distribution fee. Some mutual funds also charge an initial or deferred sales charge.

In addition to the fund fees discussed above, there may be other costs assessed, which are not included in the Program fee, including exchange fees; SEC fees; transfer taxes; dealer mark-ups; spreads paid to market-makers; costs associated with exchanging currencies; costs for transactions not executed through the account's custodian; 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.

**Potential Conflicts of Interest.** Because of the single fee charged to a Program account, SignalPoint may be regarded as having a conflict of interest in that it may have a disincentive to trade securities in a client's account because it will realize a higher profit on a Program account with a relatively low portfolio turnover rate than a Program account with a higher turnover rate, assuming the same fee levels

At times, SignalPoint will use ETF's available on Schwab's OneSource within its SignalPoint model portfolios and custom portfolios. Schwab does not charge SignalPoint a transaction fee on buying or selling the ETF's available on their OneSource platform. Since SignalPoint pays all fees on behalf of its clients, there is a potential conflict of interest since SignalPoint could be incented to utilize a lower quality ETF within a client's portfolio in order to avoid a transaction fee. SignalPoint recognizes this conflict and is committed to using its objective methodologies when selecting an ETF and will ignore whether it would incur a transaction fee.

Schwab generally does not charge a separate custody fee for holding SignalPoint client accounts, but is instead compensated by SignalPoint through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Signalpoint may receive research or other products or services other than execution from a broker-dealer in connection with client securities transactions ("soft dollar benefits"). Schwab provides SignalPoint with technology and research related services whose cost the firm would otherwise have to pass on to the client. The receipt of the "soft dollar benefits" may present a conflict of interest because of the incentive to recommend Schwab based on the firm's receipt of these benefits.

These products and services assist SignalPoint in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of SignalPoint's fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of SignalPoint's accounts, including accounts not maintained at Schwab. Schwab may also make available to SignalPoint other services intended to help SignalPoint manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make

available, arrange and/or pay vendors for these types of services rendered to SignalPoint by independent third parties. Schwab may discount or waive fees that each would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to SignalPoint. Schwab may also make available to SignalPoint other products and services that benefit SignalPoint but may not benefit its clients' accounts. These benefits may include national, regional or SignalPoint specific educational events organized and/or sponsored by Schwab. Other potential benefits may include occasional business entertainment of personnel of SignalPoint by Schwab personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities.

While, as a fiduciary, SignalPoint endeavors to act in its clients' best interests, SignalPoint's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefit to SignalPoint of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

**Terminations and Refunds.** Program clients may terminate their advisory agreement with SignalPoint upon thirty days written notice. SignalPoint will prorate the fees on a terminated account accordingly. Program clients 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.

## Item 5 Account Requirements and Types of Clients

SignalPoint provides portfolio management services through the Program 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.

## Item 6 Portfolio Manager Selection and Evaluation

SignalPoint is both sponsor and portfolio manager of the Program. The advisory services are provided by SignalPoint investment adviser representatives 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 Program clients hold a college degree or have appropriate experience in lieu thereof.

### Advisory Business

SignalPoint provides advisory services, as described under **Services, Fees and Compensation**, above. 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, SignalPoint 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 a SignalPoint investment advisor 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 a mutual fund, closed-end 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.

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.

SignalPoint is principally owned by Jonathan Timson, Jay Handy, and Robin Walker

### **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**

#### **Methods of Analysis and Investment Strategies**

##### **a. ETF Investment Strategies**

SignalPoint's ETF Investment Strategies seek to produce above-market performance while reducing normal market risk, providing clients with an "emotion free" investment model. SignalPoint's ETF Strategies seek to achieve this goal by investing primarily in ETFs, rather than individual stocks. SignalPoint also may hold cash, money market instruments or high-quality, short-term debt instruments for liquidity purposes. SignalPoint applies its strategy to various 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, from time to time certain investments in particular sectors (i.e. technology or health care) may represent a significant portion of its clients' portfolios.

SignalPoint's ETF Investment Strategies are 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's ETF Investment Strategies primarily use 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. SignalPoint's proprietary model maintains a Risk Value around a Control Level and allocates the account between equity and cash.

**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 typically is reduced back to approximately the Control Level. SignalPoint generally invests 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 (or inversely to) 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 is designed 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 measure 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.

#### **b. Custom Portfolio**

The firm's advisors may also develop investment portfolios designed to meet the client's individual needs. These may be discretionary or non-discretionary. The advisor will work with the client to create the portfolio and the client can place restrictions on what investments may be included in the portfolio. These portfolios can contain equities, ETF's or debt securities.

#### **SignalPoint's Equity Investment Strategy**

In constructing an equity portfolio, SignalPoint seeks to identify the most attractive investment opportunities based on valuation and quality while considering a client's goals, objectives, and overall portfolio. SignalPoint will typically consider equity securities that span all market capitalizations (small, medium, and large), various investment styles (such as growth and value), and will incorporate both domestic and international securities (including securities of issuers located in, or primarily doing business in, developed and emerging markets). When SignalPoint identifies a particular company that looks attractive, it typically develops a more detailed understanding of the company through a review of corporate financials and analytical research, and may consider the company's growth potential, competitive position in its industry, cash flow, dividends and projected future earnings. SignalPoint will also typically consider the company's sector and SignalPoint's own analysis of the growth potential of that sector. SignalPoint may also invest a client's assets in mutual funds or other investment companies, in new issues, or in preferred stock. SignalPoint may sell an equity security from a client's portfolio when it reaches what SignalPoint believes is its true value, when SignalPoint identifies another more attractive security, or upon a change in the client's investment objectives, goals or risk tolerance.

SignalPoint may write covered call options on optionable securities held in a client's portfolio in an effort to reduce volatility. When a portfolio writes (or sells) a covered call option, the purchaser of the option has the right to buy that stock at a predetermined price (exercise price) during the life of the option. If the purchaser exercises the option, the client portfolio must sell the stock to the purchaser at the exercise price. The option is "covered" because the client owns the stock at the time it sells the option. As the seller of the option, the client receives a premium from the purchaser of the call option, which may provide additional income to the client. The selling of covered call options may tend to reduce volatility of the client's portfolio because the premiums received from selling the options will reduce any losses on the underlying securities, but only by the amount of the premiums. However, selling the options will also limit the potential for gain on the underlying securities.



### **SignalPoint's Fixed Income Investment Strategy**

SignalPoint's fixed-income strategy is based on its economic and interest rate outlook. In selecting fixed-income securities for a client's portfolio, SignalPoint seeks securities that it believes are consistent with the client's goals, objectives and overall portfolio, and may consider, among other factors, interest rate, credit and prepayment risk, as well as general market conditions. SignalPoint will generally allocate the fixed-income portion of a client's portfolio among municipal bonds, taxable bonds, government bonds, and/or corporate bonds of issuers in various industry sectors and, where appropriate, various states. When consistent with a client's Profile, Investment Plan and risk tolerance, SignalPoint may invest a client's assets in bonds rated below-investment grade (also known as "junk bonds"). Depending on a client's Profile and Investment Plan, and the client's tax situation as communicated to SignalPoint, SignalPoint may focus a client's fixed-income investments in bonds that pay interest that is exempt from federal income tax (but that may be subject to federal alternative minimum tax) and, in some cases, state income tax.

### **c. Earnings Buster 26 Strategy**

The "EB 26" strategy is a long stock portfolio of 26 stocks selected with a growth as a reasonable price ("GARP") approach. Sabrient, an outside research firm, provides SignalPoint with the portfolio that is based on a forward-looking quantitative screening and a fundamental stock review. The 26 stock portfolio is reviewed every two weeks by Sabrient and the oldest positions are reevaluated for either renewal or replacement. Each stock is intended to be held for 52 weeks, but changes or substitutions may occur to any position.

### **Risk of Loss**

Investing in securities involves risk that all clients should be prepared to bear. Risk refers to the possibility that a client may lose money (both principal and earnings) or fail to make a positive return on an investment. SignalPoint cannot guarantee that it will achieve a client's investment objectives. Each client must be prepared to tolerate price volatility and possibly incur capital losses in the pursuit of the client's investment objective. Certain specific risks related to securities recommended by SignalPoint are set forth below.

**Management Risk.** SignalPoint's judgment about the attractiveness, growth prospects and value of a particular asset, class of assets or individual security may prove to be incorrect. There is no guarantee that the securities or investment strategies recommended or used by SignalPoint to manage client accounts will perform as anticipated.

**Investment Company Securities Risk.** Mutual funds, closed-end funds and ETFs ("investment companies") are sold by prospectus. Please consider the investment objectives, risks, charges and expenses set forth in an investment company's prospectus carefully before investing. The prospectus, which contains this and other information, can be obtained by calling SignalPoint. Read it carefully before you invest. Client accounts invested in investment companies will indirectly bear the fees and expenses payable directly by the investment company. Therefore, the client will incur higher expenses, many of which may be duplicative. Investments in investment companies are subject to risks similar to those of stocks. Investment returns may fluctuate and are subject to market volatility. In addition, the value of a client's investment in an investment company will be dependent on the skill of the investment company's adviser, and will be subject to risks arising from the investment practices of the investment company. Closed-end funds and ETFs are subject to additional risks, including the risk that the market price of the shares of the closed-end fund or ETF may be above or below its net asset value.

### **Equity Investments.**

- **Common Stocks.** The value of a company's common stock generally increases or decreases in value based on factors directly relating to that company, such as demand for the company's products or decisions by management. The value of a company's common stock is also affected by other factors not directly affecting the company, such as general industry or market conditions.

- *Growth Stock Risk.* The stocks of companies that SignalPoint believes are fast-growing may trade at a higher multiple of earnings-per-share than other stocks. If SignalPoint's perception of a company's growth potential is incorrect, the value of the company's stock may fall or may never approach the value SignalPoint has placed on it. Growth stocks may fluctuate in value more than other stocks in reaction to changing market conditions.
- *Value Stock Risk.* Companies that SignalPoint believes are undervalued may be subject to special risks or may have suffered adverse developments that have caused their stocks to fall out of favor. If SignalPoint's perception of a company's prospects is wrong, or if other investors do not agree that a company's stock is undervalued, the value of the stock may fall or may never reach the value SignalPoint has placed on it.
- Small- and Mid-Cap Company Risk. Stocks of small- and mid-cap companies may be more volatile than stocks of larger companies. Small- and mid-cap companies also may lack the managerial, financial or other resources necessary to implement their business plans or succeed in the face of competition. Many of these companies are young and have a limited track record. Thus, small- and mid-cap companies may be more vulnerable to adverse business or market developments than larger companies. Their stock may also trade less frequently and in more limited volume than those of larger companies, which may make it difficult for SignalPoint to sell a small- or mid-cap stock on favorable terms.
- Lack of Diversification. Because SignalPoint's Equity Strategy may concentrate a client's equity portfolio in the stocks of relatively few companies, a client's portfolio may be more vulnerable to adverse business developments affecting one or two such companies than if the client's portfolio had been invested more broadly. In addition, it is possible that a single economic event could affect significant portion of the companies in a client's portfolio, especially if the client's holdings are concentrated in related economic sectors or sectors broadly affected by any single economic variable.
- Covered Call Options. By writing a call option a security held in a client's portfolio, the portfolio limits its opportunity to profit from any increase in the market value of the underlying security above the exercise price of the option but continues to bear the risk of a decline in the value of the underlying security.

#### **Fixed Income Investments.**

- Credit Risk. The issuer of a fixed income security may be unable or unwilling to make interest and principal payments when due. Generally, the lower the credit rating of a security, the greater the risk that the issuer will default on its obligation.
- Issuer Risk. The value of a fixed income security may decline due to a number of factors relating to the issuer or its industry or economic sector. This risk is heightened for lower rated fixed-income securities.
- Change in Rating Risk. If a rating agency gives a fixed-income security a lower rating, the value of that security will likely decline because investors will demand a higher rate of return.
- Interest Rate Risk. As nominal interest rates rise, the value of fixed income securities is likely to decrease. A nominal interest rate is the sum of real interest rates and an expected inflation rate.
- Municipal Securities Risk. The value of municipal obligations can fluctuate over time, and may be affected by adverse political, legislative and tax law changes, as well as by financial developments that affect the municipal issuers. From time to time, liquidity in the municipal bond market (the ability to buy and sell bonds readily) may be reduced in response to overall economic conditions and credit tightening. During times of reduced market liquidity, a client's portfolio may not be able to sell bonds readily at prices reflecting the values at which the bonds are carried. Sales of large blocks of bonds by market participants that are seeking liquidity can further reduce bond prices in an illiquid market.

- **Government Securities Risk.** It is possible that the U.S. government would not provide financial support to its agencies or instrumentalities if it is not required to do so by law. If a U.S. government agency or instrumentality in which a client's portfolio invests defaults and the U.S. government does not stand behind the obligation, the value and yield of the security could fall. Securities of U.S. government sponsored entities, such as Freddie Mac or Fannie Mae, are neither issued nor explicitly guaranteed by the U.S. government.
- **Tax Risk.** In order to be tax-exempt, municipal securities must meet certain legal requirements. Failure to meet such requirements may cause either the interest received or distributed to clients to be taxable. Changes or proposed changes in federal tax laws may also cause the prices of municipal securities to fall. The federal income tax treatment of payments in respect of certain derivatives contracts is unclear.

**Foreign Securities Risk.** Investment in securities of foreign issuers involves certain special risks. Foreign issuers and markets may not be subject to the same degree of regulation and accounting discipline as U.S. issuers and markets. In addition to credit and market risk, investments in foreign securities involve sovereign risk, which includes fluctuations in foreign exchange rates, future political and economic developments, and the possible imposition of exchange controls or other foreign governmental laws or restrictions. In addition, with respect to certain countries, there is the possibility of expropriation of assets, confiscatory taxation, political or social instability or diplomatic developments that could adversely affect investments in those countries. There may be less publicly available information about a foreign company than about a U.S. company. Securities of foreign companies may be less liquid and their prices more volatile than securities of comparable U.S. companies. Dividend and interest income from foreign securities will generally be subject to withholding taxes by the country in which the issuer is located and may not be recoverable by the client. These risks may be greater in less developed countries, which are sometimes referred to as emerging markets.

## 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 whether and how to vote such proxies.

Some of the holdings purchased in client accounts may become involved in class action lawsuits. Because SignalPoint is not in a position to offer clients legal advice, SignalPoint does not advise clients on whether or not to participate in the lawsuit. Upon request, SignalPoint will assist a client in completing the forms necessary to participate in a class action lawsuit involving a security held in an account advised by SignalPoint.

## Item 7 Client Information Provided to Portfolio Managers

SignalPoint is not required to respond to this Item because it serves as both sponsor and portfolio manager of the Program, and does not provide your information to other portfolio managers.

## Item 8 Client Contact with Portfolio Managers

SignalPoint serves as both sponsor and portfolio manager of the Program, and there are no restrictions placed on a client's ability to consult with SignalPoint or the SignalPoint investment adviser representative who is primarily responsible for the management of the client's accounts.

## Item 9 Additional Information

### Disciplinary Information

SignalPoint, along with Messrs. Handy, Orzel, Walker and Timson entered into an Offer of Settlement with the SEC on July 2, 2014, pursuant to which the SEC issued an Order finding that SignalPoint and Handy, Orzel, Walker and Timson violated Advisers Act by failing to disclose Handy, Walker and Timson's control and participation in the management of SignalPoint and related conflicts of interest to clients. Pursuant to the Offer of Settlement and without the SignalPoint parties admitting or denying the allegations, the SEC issued censures, a cease and desist order, and monetary fines.

Arising from the same facts as the SEC Order is based on, Messrs. Handy, Timson and Walker entered into an Acceptance Waiver and Consent with the Financial Industry Regulatory Authority (FINRA) on March 2, 2015, for allegedly violating its rules relating to disclosing outside business activity and private securities transactions to their previous broker-dealer in their formation and control of SignalPoint. Without admitting or denying the allegations, Messrs. Handy, Timson and Walker agreed to a suspension from membership in FINRA for a period of eighteen (18) months and a monetary fine that has been deferred.

### Other Financial Industry Activities and Affiliations

SignalPoint has solicitor arrangements with individuals that refer clients to SignalPoint where certain individuals or entities acting as solicitors may receive compensation on an ongoing basis. For further information on Solicitor fees, see the subsection titled "Client Referrals and Other Compensation," below.

### Code of Ethics

SignalPoint has adopted a Code of Ethics applicable to all of SignalPoint's supervised persons 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 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 that are 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 fairly. 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.

## 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. Portfolios are also reviewed at least annually by the assigned advisor, to ensure all portfolios are being managed in compliance with (a) the 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. Generally, clients receive quarterly, monthly if there has been activity in the account, reports of all transactions for that period and current portfolio holdings from their qualified custodian. In addition, clients with accounts in a SignalPoint model portfolio 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 the clients' investment objectives.

SignalPoint will 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 that 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 Advisers Act. 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.

Mr. Robin Walker, an owner of SignalPoint, also is owner of another registered investment advisor, Walker Asset Management. Walker Asset Management has a solicitor arrangement with SignalPoint. SignalPoint will compensate Walker Asset Management for its solicitation activities in accordance with the solicitation agreement.

## Financial Information

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